



SIXTH ANNUAL
Global Philanthropy Forum **2007**

**FINANCING SOCIAL CHANGE:
LEVERAGING MARKETS AND
ENTREPRENEURSHIP**





Global Philanthropy Forum
6th Annual Conference

April 11-13, 2007
Mountain View, CA

**FINANCING SOCIAL CHANGE:
LEVERAGING MARKETS AND
ENTREPRENEURSHIP**

This book includes transcripts from the plenary sessions and keynote conversations of the 6th Annual Global Philanthropy Forum Conference. The statements made and views expressed are solely those of the authors and do not reflect the views of the GPF, its participants, the World Affairs Council of Northern California or any of its funders. Prior to publication, the authors were given the opportunity to review their remarks. Some have made minor adjustments. In general, we have sought to preserve the tone of these panels to give the reader a sense of the conference.

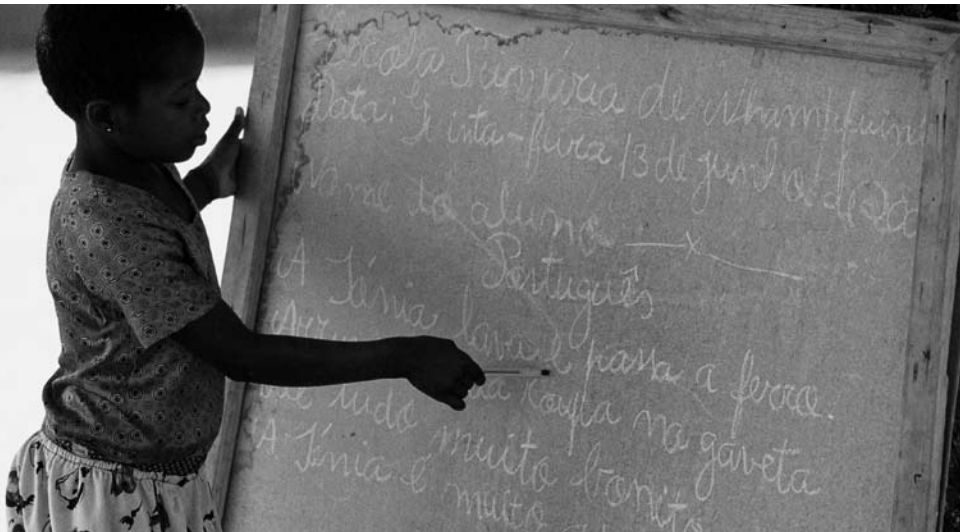
The Annual Conference would not have been possible without the support of our partners and members, listed below, as well as the dedication of the wonderful team at the World Affairs Council. Special thanks go to the GPF team including departing staff members Stacey Fish and Leila Bozorg who left an indelible mark on the conference, on the Global Philanthropy Forum and on each of us. Joining in thanking them are new team members Jill Freeman, Esther Kyte and Leslie Harlson, who have taken the helm.

We gratefully acknowledge the generous support of the following partners and members: Fundación AVINA, the International Finance Corporation, the Skoll Foundation, Google.org, Carnegie Corporation of New York, Chevron Corporation, the Clara Fund, the Coxe Fund, KL Felicitas Foundation, Wallace A. Gerbode Foundation, Noosheen Hashemi, the David and Anita Keller Foundation, MicroCredit Enterprises, the Charles Stewart Mott Foundation, the Pierre and Pamela Omidyar Fund, the David and Lucile Packard Foundation, Joan Platt, the Rockefeller Brothers Fund, the Shell Foundation, Salesforce Foundation, the United Nations Foundation and others who have chosen to remain anonymous. The Global Philanthropy Forum also thanks Virgin Unite and United Airlines as the official travel sponsors of the 2007 annual conference.

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FOREWORD



As a global community, our shared challenges are many. Issues of poverty, global health and climate change have long faced us, but despite philanthropic and governmental attention to these issues, they continue to impede global economic development. Today's donors and social investors, recognizing this and seeking to effect systemic change, have now turned to private sector methods and partners for leverage. This pioneering generation of philanthropists gathered at the Global Philanthropy Forum's 6th Annual Conference, "Financing Social Change: Leveraging Markets and Entrepreneurship," to consider ways to bring capital markets and business knowledge to bear on the goals of combating poverty, promoting global health and mitigating climate change.

This year's Global Philanthropy Forum conference was fittingly held on the campus of Google, a company that has made a commitment to advancing social goals and, importantly, leveraging the talents of their employees in the process. It well embodies the spirit of innovation that was this conference's focus. Five hundred participants came together at the Googleplex to consider best practices for joining the worlds of entrepreneurship and philanthropy to better tackle global challenges.

Deeply committed to finding new solutions, the Global Philanthropy Forum has emerged—an agile network of individual donors, foundation leaders and policy practitioners. These are agents of change who are strategic, focused and engaged. The GPF is a community that is unafraid to take risks and embraces a style of leadership that focuses on long-term results, building cooperation and staying the course. The return on their investments will not be immediate, but they will be important.

On the following pages, these individuals from around the world share stories of projects and approaches that are reshaping philanthropy and driving social innovation. You will read of their willingness to take on big problems and find comprehensive strategies for addressing them—a focus that Judith Rodin of Rockefeller Foundation describes as Philanthropy 3.0 in her remarks, which aptly captures the vibrant learning community that is the Global Philanthropy Forum.

Speakers and their peers in the audience shed light on the many ways that they leverage the private sector, from putting their own companies to the service of social goals, to supporting microfinance and investing in double-bottom-line social ventures. They explore public-private partnerships; and ways to further leverage their own dollars through co-funding opportunities and strategic investing.

Former President William J. Clinton, Brizio Biondi-Morra of Fundación AVINA, Sally Osberg of the Skoll Foundation, Google Co-founders Larry Page and Sergei

Brin, Fola Adeola of the Fate Foundation, Alan Patricof of Greycroft LLC, Jean and Steve Case of the Case Foundation, and Mary Ellen Iskenderian of Women's World Banking were just a few of the speakers who joined the 500 participants to explore ways market mechanisms and the ingenuity of social entrepreneurs could help advance solutions to the most vexing challenges.

Their comments on the following pages represent only a small fraction of the work they do around the world, and we are deeply grateful for their time, their commitment and the wisdom they shared. We hope you find the remarks of your peers helpful to your work. The spoken contributions collected in this text only touch on the richness of interaction that took place in our 2007 conference through the exchange of ideas, challenges and best practices among peers—each an expert in his or her own right.

The success of the GPF, and in particular that of this our sixth annual conference, rests heavily on our visionary partners and members who share our conviction that individuals are not only capable of advancing human security, environmental stewardship and improved quality of life, but that they must.

Our profound thanks goes to our generous hosts Larry Page, Sergei Brin, Sheryl Sandberg and Larry Brilliant, who welcomed the GPF and helped make this year's conference special in every way. We are particularly grateful to the GPF's strategic partners—Fundación AVINA, the Skoll Foundation and the International Finance Corporation—who helped shape the conference agenda and who we rely upon regularly for their strategic advice. They are joined by a long list of partners and members, listed on the preceding page, who help make this work possible every year. Our gratitude for their support, and our admiration for their work, remains steadfast.

It is this inspired and inspiring group of individuals that form the “ongoing brain trust” that is the GPF. They, and I, are supported by and indebted to five women who worked tirelessly to make the 2007 conference the success that it was: Jill Freeman, Stacey Fish, Leila Bozorg, Meryl Stone and Tara Canobbio. To this list of outstanding women I add a man who was our partner, our champion and our friend, Larry Brilliant.

This book is a tribute to our extraordinary speakers and peers, and we hope that their words, captured in these pages, inspire many more to approach our global challenges with an open mind and an enterprising spirit.

Jane Wales

February 2008

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AGENDA



WEDNESDAY, APRIL 11

- 10:00 AM How to Make the Most of the Global Philanthropy Forum
Charly Kleissner, Co-Founder, KL Felicitas Foundation
Lisa Kleissner, Co-Founder, KL Felicitas Foundation
Noosheen Hashemi, Co-Founder and President,
The H.A.N.D. Foundation
Peter Wheeler, Chairman, IPValue; Trustee, New Philanthropy
Capital [United Kingdom]
Jan Piercy, Executive Vice President, ShoreBank Corporation
- 11:00 AM BREAK
- 11:15 AM Welcome and Conference Framework
Larry Brilliant, Executive Director, Google.org
Jane Wales, President and CEO, World Affairs Council and the
Global Philanthropy Forum
- 11:45 AM **KEYNOTE ADDRESS: THE CHANGING PRACTICE
OF PHILANTHROPY**
Judith Rodin, President, The Rockefeller Foundation
- 12:15 PM **LUNCH**
- 1:15 PM **PLENARY 1: THINKING DIFFERENTLY—BLENDING THE
PRIVATE AND SOCIAL SECTORS**
[M] Iqbal Paroo, CEO, Omidyar Network
Brizio Biondi-Morra, President, Fundación AVINA
Marc Benioff, Chairman and CEO, Salesforce.com
Jacqueline Novogratz, Founder and CEO, Acumen Fund
Kurt Hoffman, Director, Shell Foundation [United Kingdom]
- 2:45 PM BREAK
- 3:15 PM **PLENARY 2: FINANCING EFFORTS TO COMBAT
CLIMATE CHANGE**
[M] Timothy E. Wirth, President, United Nations Foundation
and Better World Fund
Patricia Bliss-Guest, Deputy CEO, Global Environment Facility
James Cameron, Vice Chair,
Climate Change Capital [United Kingdom]
Jan-Peter Onstwedder, BP Project Director,
The London Accord [United Kingdom]
Ira Magaziner, Chairman, Policy Board, HIV/AIDS Initiative, and
the Clinton Climate Initiative, The William J. Clinton Foundation
- 4:30 PM BREAK

5:00 PM

BREAKOUTS ROUND 1: DIRECT ACTION

DIRECT ACTION: COMBATING CLIMATE CHANGE

[M] Walter Reid, Director, Conservation & Science, David & Lucile Packard Foundation

Philip LaRocco, Founder and Executive Director, E&Co.

Peter Lehner, Executive Director, Natural Resources Defense Council

Yan Speranza, Executive Director, Fundación Moisés Bertoní [Paraguay]

DIRECT ACTION: ADVANCING GLOBAL HEALTH

[M] Jacqueline Khor, Associate Director, Program Venture Investments, The Rockefeller Foundation

Gopi Gopalakrishnan, President, Janani [India]

Seth Berkley, President and CEO, International AIDS Vaccine Initiative (IAVI)

Johann Koss, President and CEO, Right to Play International [Canada]

**DIRECT ACTION: ALLEVIATING POVERTY—
FINANCIAL SERVICES FOR THE POOR**

[M] Jonathan Lewis, Chief Executive Officer, MicroCredit Enterprises

William Abrams, President, Trickle Up

Janine Firpo, President and Co-Founder, Sevak Solutions

Zoilo Jesus M. de la Cruz III, President & CEO, Infoserve, Inc.; Founder, Nationlink Network Corporation [Philippines]

**DIRECT ACTION: THE CHANGING PRACTICE
OF PHILANTHROPY**

[M] Juliette Gimon, Trustee, William & Flora Hewlett Foundation

Meg Garlinghouse, Director, Yahoo! for Good

Rick Luftglass, Executive Director, The Pfizer Foundation

Jean Oelwang, Managing Director, Virgin Unite [United Kingdom]

6:15 PM

RECEPTION AND NETWORKING

7:00 PM

DINNER

8:00 PM

PLENARY 3: LEVERAGING INFORMATION

Larry Page, Co-Founder, Google

Sergey Brin, Co-Founder, Google

Larry Brilliant, Executive Director, Google.org

in conversation with Jane Wales

9:15 PM

CLOSE FOR THE EVENING

THURSDAY, APRIL 12

7:30 AM BREAKFAST

8:30 AM **PLENARY 4: UNUSUAL ALLIANCES TO HALT CLIMATE CHANGE**

[M] Kenneth Colburn, Senior Consultant, Center for Climate Strategies

Billy Parish, Co-Founder and Coordinator, Energy Action Coalition

Ernest C. Shea, President, Natural Resource Solutions LLC;
Project Coordinator, 25x'25

Richard Cizik, Vice President for Governmental Affairs,
National Association of Evangelicals

Thomas R. Jacob, Government Affairs Manager,
Western Region, DuPont Company

9:45 AM BREAK

10:00 AM **BREAKOUTS ROUND 2: INVESTMENTS**

INVESTMENTS: COMBATING CLIMATE CHANGE

[M] Kurt Hoffman, Director, Shell Foundation [United Kingdom]

Harish Hande, Managing Director, SELCO-India [India]

Mindy Lubber, President, CERES

Jonathan Pershing, Program Director, Climate & Energy,
World Resources Institute

INVESTMENTS: ADVANCING GLOBAL HEALTH

[M] Joe Cerrell, Director of Advocacy,
Bill & Melinda Gates Foundation

Richard Feachem, former Executive Director,
The Global Fund to Fight AIDS, Tuberculosis, and Malaria;
Professor of International Health, UC San Francisco

Alice Albright, Executive Vice President and Chief Financial
& Investment Officer, GAVI Alliance

Christopher Elias, President, PATH

**INVESTMENTS: ALLEVIATING POVERTY—
BUILDING THE SME SECTOR**

[M] Andrew Kuper, Managing Director,
Strategic Partnerships, Ashoka

Harold Rosen, Director, Grassroots Business Initiative,
International Finance Corporation

Staph Leavenworth Bakali, Co-Managing Partner,
LeapFrog Investments, LLP

Bruce McNamer, President and CEO, Technoserve

**INVESTMENTS: THE CHANGING PRACTICE OF
PHILANTHROPY—PROGRAM RELATED INVESTMENTS**

[M] William Dietel, Chairman and Director,
The F.B. Heron Foundation

Ed Diener, Counsel, Skoll Foundation

Linda Crompton, Managing Director, Recipco Foundation
[Canada]; Co-Founder and President, Mindful Networks Group

Salvatore LaSpada, Chief Executive,
Institute for Philanthropy [United Kingdom]

11:15 AM BREAK

11:45 AM LUNCH

12:45 PM **PLENARY 5: ENTREPRENEURS IN ACTION**

Jean Case, Co-Founder and CEO, The Case Foundation

Steve Case, Chairman and CEO, Revolution; Co-Founder,
America Online; Co-Founder and Chairman,
The Case Foundation

in conversation with Jane Wales

2:00 PM BREAK

2:15 PM **KEYNOTE ADDRESS:
FINANCING POVERTY ALLEVIATION**

Introduction: Sheryl Sandberg, Vice President,
Global Online Sales and Operations, Google

John Danilovich, CEO, Millennium Challenge Corporation

2:50 PM **PLENARY 6: FINANCING POVERTY ALLEVIATION—
FINANCIAL SERVICES FOR THE POOR**

[M] Mary Ellen Iskenderian, President and CEO,
Women's World Banking

Fola Adeola, Chairman and Founder, FATE Foundation;
Co-Founder, Guaranty Trust Bank [Nigeria]

Lynn Pikhholz, President, ShoreCap Exchange

Reemaben Nanavaty, Director, Economic and Rural
Development, Self Employed Women's Association (SEWA) [India]

4:00 PM BREAK

4:30 PM **PLENARY 7: FINANCING POVERTY ALLEVIATION—
BUILDING SUSTAINABLE ECONOMIES**

[M] Lael Brainard, Vice President and Director,
Global Economy and Development Program,
The Brookings Institution

Jo' Schwenke, Managing Director,
Business Partners Ltd. [South Africa]

Ali A. Mufuruki, Chairman and CEO,
Infotech Investment Group Ltd. [Tanzania]

Alan Patricof, Founder and Managing Director, Greycroft LLC

5:45 PM Musical Performance: Angélique Kidjo, Singer & Songwriter;
UNICEF Goodwill Ambassador [Benin]; Founder,
The Batonga Foundation

6:30 PM **INFORMAL SUPPER AND MEET THE
SOCIAL ENTREPRENEURS**

WELCOMING REMARKS:

William Drayton, Founder and CEO, Ashoka; Founder
and Chair, Youth Venture

PARTICIPATING SOCIAL ENTREPRENEURS:

Fola Adeola, Chairman & Founder, FATE Foundation;
Co-Founder, Guaranty Trust Bank [Nigeria]

Quratulain Bakhteari, Founding Director, Institute for Development
Studies & Practices [Pakistan]

Gary Cohen, Co-Executive Director, Health Care Without Harm

Andrea Coleman, CEO, Riders for Health [United Kingdom]

Vera Cordeiro, Founder, Saude Crianca Renascer [Brazil]

Eliana Elias, Executive Director, Minga Perú [Peru]

Craig Nakagawa, Acting President, Village Reach

Liza Kimbo, Director, Sustainable Healthcare Foundation [Kenya]

Mindy Lubber, President, CERES

Mary Anne Muller, Executive Director, Fundación Origen [Chile]

Reemaben Nanavaty, Director, Economic and Rural
Development, Self Employed Women's Association (SEWA) [India]

Adherbal Regis, Executive Director, PANGEA —
Centro de estudos socioambientais [Brazil]

Albina Ruiz Rios, Executive Director, Ciudad Saludable [Peru]

Jorge Roca, Board Member, Corporación para el
Desarrollo Comunitario [Ecuador]

Yan Speranza, Executive Director, Fundación Moisés
Bertoni [Paraguay]

Adalberto Verissimo, Senior Researcher, Instituto do Homem
e Meio Ambiente da Amazônia [Brazil]

R. Mugo Wa Karanja, Treasurer, Uzima Foundation [Kenya]

8:30 PM CLOSE FOR THE EVENING

FRIDAY, APRIL 13

7:30 AM BREAKFAST

8:30 AM **KEYNOTE ADDRESS: FINANCING GLOBAL HEALTH**

Introduction: Larry Brilliant

William H. Foege, Fellow, Bill & Melinda Gates Foundation

8:50 AM **PLENARY 8: FINANCING GLOBAL HEALTH**

[M] William H. Foege, Fellow, Bill & Melinda Gates Foundation

Liza Kimbo, Director, Sustainable Healthcare Foundation [Kenya]

Peter Piot, Executive Director, UNAIDS

Richard Feachem, former Executive Director, The Global Fund to Fight AIDS, Tuberculosis, and Malaria; Professor of International Health, UC San Francisco

Alice Albright, Executive Vice President and Chief Financial & Investment Officer, GAVI Alliance

10:00 AM BREAK

10:15 AM **BREAKOUTS ROUND 3: IMPACT**

**IMPACT: SUSTAINABILITY—
COMBATING CLIMATE CHANGE**

[M] Hal Harvey, Program Director, Environment, William & Flora Hewlett Foundation

Adalberto Verissimo, Senior Researcher, Instituto do Homem e Meio Ambiente da Amazônia [Brazil]

Jim Marston, Director, Energy Program, Environmental Defense

Kenneth Colburn, Senior Consultant, Center for Climate Strategies

IMPACT: ADVANCING GLOBAL HEALTH

[M] David Heymann, Acting Assistant Director-General for Communicable Diseases, World Health Organization

Christopher Earl, President and CEO, BIO Ventures for Global Health

Gary Cohen, Co-Executive Director, Health Care Without Harm

Andrea Coleman, CEO, Riders for Health [United Kingdom]

Amir Dossal, Executive Director, United Nations Fund for International Partnerships, United Nations

**IMPACT: ALLEVIATING POVERTY—INTEGRATED
BOTTOM LINE INVESTMENTS**

[M] Jacqueline Novogratz, Founder and CEO, Acumen Fund

Max Aitken, Senior Manager, Small & Medium Enterprise Department, International Finance Corporation

R. Mugo Wa Karanja, Treasurer, Uzima Foundation [Kenya]

Pamela Hartigan, Managing Director, Schwab Foundation for Social Entrepreneurship [Switzerland]

IMPACT: MEASURING DEVELOPMENT IMPACT

[M] David Keller, Founder, David and Anita Keller Foundation
Steve Wright, Director of Innovation, Salesforce.com Foundation
Rachel Glennerster, Executive Director, Abdul Latif Jameel Poverty Action Lab, Massachusetts Institute of Technology
Raj Desai, Visiting Fellow, Wolfensohn Center for Development; Associate Professor of International Development, the Edmund A. Walsh School of Foreign Service, Georgetown University

11:30 AM BREAK

11:40 AM LUNCH

12:30 PM **PLENARY 9: MOBILIZING FOR ACTION—
FEEDING THE MIND, TICKLING THE FUNNY-BONE,
TOUCHING THE HEART**

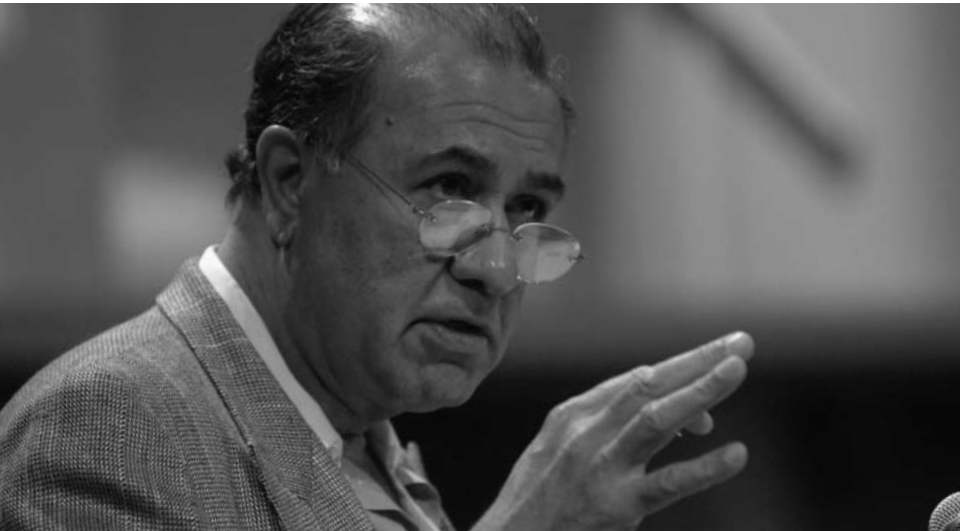
[M] Sally Osberg, President and CEO, Skoll Foundation
Richard Curtis, Co-Founder and Vice Chair, ComicRelief [United Kingdom]
Ben Cohen, Co-Founder, Ben and Jerry's; President, Business Leaders for Sensible Priorities
Angélique Kidjo, Singer & Songwriter; UNICEF Goodwill Ambassador [Benin]; Founder, The Batonga Foundation
Bobby Shriver, Co-Founder and CEO, Product (Red)

1:30 PM **KEYNOTE ADDRESS: A CALL TO ACTION**

Introduction: Laurene Powell Jobs, Co-Founder and President of the Board, College Track
William Jefferson Clinton, former President of the United States

3:30 PM CONFERENCE ADJOURNS

SPEAKER BIOGRAPHIES



William Abrams
President, Trickle Up

Mr. Abrams joined Trickle Up in October, 2005 after a long career as a journalist and media executive for the New York Times, ABC News, and The Wall Street Journal. Mr. Abrams has also served as an advisor to the Soho Partnership, a job-readiness program for the homeless in New York City; the Bowery Residents Committee, a New York agency that helps the homeless and others with limited resources; and the Partnership for a Drug-Free America. He holds master's degrees in journalism and business from Columbia University, and a bachelor's degree from Tufts University.

Founded in 1979, Trickle Up provides seed capital, business training and support services to help people take their first steps out of poverty by starting micro-businesses. Trickle Up helped start or expand more than 10,000 businesses in 2006, improving the lives of more than 60,000 people. Trickle Up works in Africa (Burkina Faso, Ethiopia, Mali, Niger and Uganda), Asia (Cambodia, India, Nepal), Latin America and the Caribbean (Bolivia, Guatemala, Haiti, Honduras, Nicaragua), and the U.S.

Fola Adeola
Founder and Chairman, FATE Foundation

Fola Adeola is the founder and chairman of FATE Foundation, a non-governmental organization which is dedicated to encouraging the creation of wealth through entrepreneurship, using an innovative mix of training, mentoring, loan support and consulting to support young Nigerians. Founded in 2000, to date it has serviced over 5000 young Nigerian entrepreneurs.

Fola is also the founder, and first Managing Director/CEO of Guaranty Trust Bank, Plc. He ran the bank from inception in 1990 to July 2002, during which period he firmly established the institution as a strong and credible bank. Guaranty Trust Bank has grown to become one of Nigeria's largest and most profitable companies. The bank has also expanded beyond Nigeria to other neighboring African countries including The Gambia, Sierra Leone and Ghana. The bank was listed on the Nigerian Stock Exchange in 1996.

Between March 2004, and July 2005, Fola Adeola served as Commissioner on the Commission for Africa set up by UK Prime Minister, Tony Blair.

In recognition of his outstanding service to the Nigerian nation, Fola Adeola was nationally decorated as Officer of the Order of the Federal Republic by President Olusegun Obasanjo in December 2002.

Max Aitken
Chief, Partnerships & Donor Relations, International Finance Corporation

Max Aitken is currently Senior Manager in IFC's Small and Medium Services Department where he has oversight responsibilities for IFC's Partnerships & Donor Relations work. Since joining IFC twelve years ago, Mr. Aitken has worked on IFC investments in the East Asia/Pacific and Central/Southern Europe regions. More recently, he worked in the advisory services and Small and Medium Enterprise areas, and led the establishment of significant advisory services programs in the Mekong region, the Balkans, Western China, North Africa, Latin America, South Asia and Indonesia.

Prior to joining IFC, Mr. Aitken worked with the World Bank in Washington, D.C., and subsequently in the Australian private sector. Mr. Aitken is an Australian national.

Alice Albright

Executive Vice President and Chief Financial & Investment Officer, GAVI Alliance

Alice currently serves as Executive Vice President and Chief Financial and Investment Officer of the GAVI Alliance, a position she originally held at the GAVI Fund. In this capacity, she leads GAVI's Washington, D.C. office and is responsible for all Alliance financial activities. During her tenure with GAVI, Alice has focused on innovative finance mechanisms, including co-chairing the Center for Global Development's study "Making Markets for Vaccines," an early effort to define the parameters of the Advanced Markets Commitments program. Since November 2003, she has chaired GAVI's efforts to complete the International Finance Facility for Immunization (the IFFIm), an innovative capital markets-based funding mechanism, launched in November 2006, that will raise approximately \$4 billion for GAVI over the next 10 years.

Prior to joining GAVI, Ms. Albright worked in international financial markets with an emphasis on emerging markets. From 1999 to 2001, she was a Principal in the Leveraged Buy-Out practice of the Carlyle Group in Washington D.C. She was a Vice President at JP Morgan from 1989 to 1999 where she held various positions in the emerging markets, corporate finance, credit portfolio management and lending areas. From 1987 to 1989, Ms. Albright was an Associate in Bankers Trust's Latin American Merchant Bank. From 1985 to 1987, she worked as a management consultant at Citicorp, conducting financial management assignments in Latin America and Europe. Ms. Albright graduated from Williams College in 1983 and received her Master's with a concentration in International Finance from the School of International and Public Affairs at Columbia University in 1985. Ms. Albright is a Chartered Financial Analyst.

Staph Leavenworth Bakali

Co-Managing Partner, LeapFrog Investments LLP

Staph is a former CEO and COO with nearly 20 years experience in the global health-care industry. An entrepreneur with significant experience in building and managing successful businesses in the international marketplace (Africa, Middle East, Asia, Europe and North America), Staph has a successful track record in M&A transactions and in delivering extraordinary growth and shareholder value having played a pivotal role in two of the largest biotech deals in last 5 years.

Staph was born in North Africa, and immigrated to the UK at the age of eight, where he became acquainted with the concept of wearing shoes. He has a deep passion for—and understanding of—emerging markets, having lived and run businesses in Africa (based in the Ivory Coast), Latin America (based in Argentina), and Asia. In Africa, Staph managed seven markets for SmithKline Beecham in French West Africa, including co-sponsoring and designing a large-scale community project aimed at improving children's health through vaccination and de-worming programs. In Latin America, Staph was the CEO of a joint venture that covered the whole continent. In Asia, he brokered a deal with a local company to develop a low cost, yet profitable, combination vaccine to serve the poorest developing countries.

Staph recently co-founded LeapFrog Investments LLP, a for-profit venture capital firm that will invest in social enterprises in emerging markets. LeapFrog's objectives are to deliver robust returns for investors and directly create sustainable change for poor and low-income communities. Areas of investment include healthcare, microinsurance, media and clean technologies.

Staph holds a Master's Degree in Management (cum laude) from the London Business School.

Quratulain Bakhteari

Founding Director, Institute for Development Studies and Practices

Quratulain is the first of five siblings born to young, socially marginalized parents in Multan after the 1947 migration from India to Pakistan. Her family later moved to a refugee camp in Karachi. At 22, with three sons and family responsibilities, Quratulain earned her Master's Degree in social work from Karachi University. During her course work, and later with UNICEF, she mobilized 5,000 families and constructed household pit latrines, a practice that became a sanitation policy for low-income people in the country. She also introduced the concept of Home Schools for hygiene education by mobilizing 200 young community girls. Home schools are part of non-formal education.

Quratulain did her doctorate work, 1987 at the University of Technology, Loughbrough, England. She based her research on her sanitation work and the model was replicated in Quetta's low-income areas in Balochistan, which made 3,000 pit latrines by 1991. She was invited by the Government of Balochistan to help promote girls education in the region. Through young community organizers and a detailed process of community support, the first public-private model in Balochistan emerged and produced 2,000 schools increasing enrollment from 17 percent to 28 percent by 1997.

Quratulain's idea for IDSP emerged from her work and experiences. The main objective was to consolidate all of her experiences into courses for isolated, inexperienced and marginalized young people. Her goal is to create self-development processes by serving these communities. Quratulain's own mission continues with the young people of Pakistan and the development of their communities through them.

Marc Benioff

Chairman and CEO, Salesforce.com

Marc Benioff is Chairman and CEO of Salesforce.com. He founded the company in March 1999 with a vision to create an on-demand customer relationship management (CRM) solution that would replace traditional enterprise software technology. Benioff is now regarded as the leader of what he has termed "The End of Software," the growing belief that on-demand applications can democratize business technology by delivering immediate benefits to companies of all sizes at reduced risks and costs. Under Benioff's direction, salesforce.com has grown from a groundbreaking idea into a publicly traded company that is the market and technology leader in on-demand business services.

Benioff, a 25-year veteran of the software industry, is internationally recognized as one of the preeminent thinkers in information technology. He has been the recipient of many honors. Most recently Computer Business Review magazine named Benioff number three on its "Top 10 Most Influential Movers & Shakers" list. Other honors include being ranked number 11 on the "50 People Who Matter" list published by Business 2.0 magazine; Selling Power named Benioff "International CEO of the Year"; and FORTUNE magazine called Benioff one of its "Top 10 Entrepreneurs to Watch."

Throughout his career, Benioff has been determined to use information technology to produce positive social change. In July 2000, Benioff launched the Salesforce Foundation, a multimillion-dollar global philanthropic organization aimed at bridging the digital divide. Pioneering the "One percent model"—where the company contributes one percent of profits, one percent of equity, and one percent of employee hours back to the communities it serves—the Salesforce Foundation has demonstrated the power and impact of integrated philanthropy.

Benioff also co-authored *Compassionate Capitalism*, the first-ever best-practices guide for corporate philanthropy, which illustrates the success of the integrated model. Prior to founding salesforce.com, Benioff spent 13 years at Oracle Corporation, where he held a number of executive positions. Before joining Oracle, Benioff worked at Apple Computer and founded Liberty Software. Benioff received a Bachelor of Science in Business Administration from the University of Southern California in 1986.

Seth Berkley

President and CEO, International AIDS Vaccine Initiative

Seth Berkley is a medical doctor specializing in infectious disease epidemiology and international health. After serving as the Associate Director of the Health Sciences Division at The Rockefeller Foundation, he founded IAVI—a global not-for-profit organization that works to ensure the development of safe, effective, accessible and preventive HIV vaccines for use throughout the world.

He has worked for the Center for Infectious Diseases of the U.S. Centers for Disease Control, the Massachusetts Department of Public Health, and for the Carter Center, where he was assigned as an epidemiologist at the Ministry of Health in Uganda. In Africa, Dr. Berkley played a key role in Uganda's national HIV sero-survey and helped develop its National AIDS Control Programs. He is an adjunct Professor of Public Health at Columbia University and an adjunct Professor of Medicine at Brown University, sits on a number of international steering committees and corporate and not-for-profit boards and has consulted or worked in over 25 countries in Asia, Africa and Latin America. The author of over 85 publications, Dr. Berkley has written extensively on infectious disease and frequently serves as a media commentator on health technology development, AIDS and global health issues. He received his undergraduate and medical degrees from Brown University and trained in Internal Medicine at Harvard University.

Brizio Biondi-Morra

President, Fundación AVINA

Brizio Biondi-Morra is the President of Fundación AVINA, one of the largest private foundations in Latin America. AVINA partners with civil society and business leaders to promote sustainable development through a network of 19 offices in 17 countries throughout the region, and has invested more than \$400 million dollars in partners' initiatives since 1994.

Dr. Biondi-Morra is also the Chairman of FUNDES, which promotes small and medium enterprise (SME) development in 10 countries of Latin America, as well as the Chairman of INCAE, the leading Latin American business school with campuses in Costa Rica and Nicaragua.

Dr. Biondi-Morra has two doctoral degrees, one in Business Administration from Harvard University and one in Economics from Bocconi University in Italy. Prior to his current positions, he performed management consulting at Arthur D. Little in Cambridge, Massachusetts, founded a chemical company in New York, and worked in marketing for E. I. Du Pont de Nemours & Co. in Europe. His background includes travels in over 80 countries and fluency in four languages: French, Spanish, Italian and English.

Patricia Bliss-Guest
Deputy Chief Executive Officer, Global Environment Facility

Patricia Bliss-Guest was appointed Deputy CEO of the Global Environment Facility (GEF) in November 2004. The GEF is the leading multilateral mechanism providing grant and concessional financing for global environmental protection in developing countries. The GEF serves as the financial mechanism for global environmental conventions on biodiversity, climate change, desertification and persistent organic pollutants. Patricia also served as Corporate Secretary and Team Leader for Corporate Affairs at the GEF. Prior to joining the GEF, she was Associate Director for International Law and Policy at the Council on Environmental Quality. Patricia also worked in the Regional Seas Program of the United Nations Environment Program, where she was responsible for legal and institutional aspects of integrated programs in seven regions. She holds a bachelor's degree in political science from Smith College, an MSc in International Relations from London School of Economics, and a JD from Harvard Law School.

Lael Brainard
**Vice President and Director, Global Economy and Development Program,
The Brookings Institution**

Lael Brainard is Vice President and Founding Director of the Brookings Global Economy and Development Program at Brookings, and holds the Bernard L. Schwartz Chair in International Economics.

Dr. Brainard served as Deputy National Economic Adviser and Chair of the Deputy Secretaries Committee on International Economics during the Clinton Administration. As Deputy Director of the National Economic Council, she helped build a new White House organization to address global economic challenges such as the Asian financial crisis and China's WTO entry. As the US Sherpa to the G8, she helped shape the 2000 G8 Development Summit that for the first time included leaders of the poorest nations and laid the foundations for the Global Fund to Fight AIDS, TB, and Malaria.

Previously, Dr. Brainard served as Associate Professor of Applied Economics at MIT Sloan School, where her publications made important contributions on the relationship between offshore production, trade, and jobs; the measurement of structural and cyclical unemployment in the U.S. economy; and strategic trade policy. She has also worked at McKinsey & Co. advising corporate clients on strategic challenges and on microfinance in West Africa.

Dr. Brainard received a Master's and Doctoral Degree in Economics from Harvard University, where she was a National Science Foundation Fellow. She graduated with highest honors from Wesleyan University. She is the recipient of a White House Fellowship and a Council on Foreign Relations International Affairs Fellowship, a Marshall Scholar elect, and a member of the Wesleyan University Board, Council on Foreign Relations, and Aspen Strategy Group.

Larry Brilliant
Executive Director, Google.org

Dr. Larry Brilliant is the Executive Director of Google.org, the umbrella organization which includes the Google Foundation as well as partnerships with—and contributions to—for-profit and non-profit entities. He is a physician and epidemiologist, board certified in public health and preventive medicine, and a specialist in international health. Dr. Brilliant played a key role in the successful WHO campaign to eradicate

smallpox and has also worked for the U.N. in the fields of blindness and polio eradication. He was associate professor of International Health and Epidemiology at the University of Michigan for many years. Dr.Brilliant has been the recipient of numerous awards including a 2006 TED Prize, the "Community Peacemaker Award" from Wayne State University, the "International Health Hero Award" from the University of California, Berkeley, WHO's Order of the Bifurcated Needle, and the Government of India's Health Minister's Award. He was the CEO of Cometa Networks, SoftNet Systems and a co-founder of the on-line community, The Well. Dr. Brilliant was also a founder of the Seva Foundation, whose projects in 15 countries have given sight back to more than 2 million cataract-blind people.

Dr.Brilliant holds a Master's in Public Health from the University of Michigan, and a Medical Degree from Wayne State University.

Sergey Brin
Co-Founder & President, Technology, Google

Sergey Brin, a native of Moscow, received a Bachelor of Science degree with honors in Mathematics and Computer Science from the University of Maryland at College Park. He is currently on leave from the Ph.D. program in computer science at Stanford University, where he received his master's degree. Sergey is a recipient of a National Science Foundation Graduate Fellowship as well as an honorary MBA from Instituto de Empresa. It was at Stanford where he met Larry Page and worked on the project that became Google. Together they founded Google Inc. in 1998, and Sergey continues to share responsibility for day-to-day operations with Larry Page and Eric Schmidt.

Sergey's research interests include search engines, information extraction from unstructured sources, and data mining of large text collections and scientific data. He has published more than a dozen academic papers, including *Extracting Patterns and Relations from the World Wide Web*; *Dynamic Data Mining: A New Architecture for Data with High Dimensionality*, which he published with Larry Page; *Scalable Techniques for Mining Casual Structures*; *Dynamic Itemset Counting and Implication Rules for Market Basket Data*; and *Beyond Market Baskets: Generalizing Association Rules to Correlations*.

Sergey has been a featured speaker at several international academic, business and technology forums, including the World Economic Forum and the Technology, Entertainment and Design Conference. He has shared his views on the technology industry and the future of search on the Charlie Rose Show, CNBC, and CNNfn. In 2004, he and Larry Page were named "Persons of the Week" by ABC World News Tonight.

James Cameron
Vice Chairman, Climate Change Capital

James Cameron is Vice Chairman of Climate Change Capital. He is responsible for strategic and sector development, is Chairman of the Advisory Board, and represents the firm at the highest levels of business and government. James is one of the world's pre-eminent experts in developing market based policy responses to climate change. Prior to CCC he was Counsel to Baker & McKenzie and was the founder and the head of their Climate Change Practice. James has spent much of his legal career working on climate change matters, including negotiating the UNFCCC and Kyoto Protocol as an adviser to the Alliance of Small Island States. He has held academic positions at Cambridge, London, Bruges and Sydney and is currently affiliated with the Yale Centre for Environmental Law and Policy. As a barrister, he appeared in several of the leading cases in environmental law. He is the Chairman of the Carbon Disclosure Project and a treasurer of REEEP and a trustee of The Climate Group. He is a member of the board of GE Ecomagination.

Jean Case
Co-Founder and CEO, The Case Foundation

An actively engaged philanthropist and a pioneer in the world of interactive technologies, Jean Case's career as a technology executive in the private sector spanned nearly two decades before she and her husband, Steve Case, created the Case Foundation in 1997.

Prior to the founding of the Case Foundation, Jean's role as a senior executive at America Online, Inc. (AOL) contributed to an online revolution that changed the way millions of people learn, communicate, and do business. At AOL, Jean directed the marketing and branding effort that launched the AOL service, directed the communications strategy for taking the company public, and helped establish AOL as not just a household name, but a household utility. Jean's passion for all things digital didn't begin at AOL. Before joining AOL when it was a small startup, she held strategic marketing positions at GE's Information Services Division and at The Source, the nation's first online service.

Jean has been honored for her philanthropic work by City Year, Habitat for Humanity, the Boys & Girls Clubs of America, the Center for Missing and Exploited Children, and the Woodrow Wilson International Center, which recognizes leaders who use their assets and resources to improve American lives and institutions. In addition, King Abdullah II of Jordan personally recognized Jean for her efforts to bridge the global digital divide.

In addition to serving as chair of the President's Council on Service and Civic Participation, she serves on the boards of Accelerate Brain Cancer Cure, ePals (formerly in2Books), Millennium Promise, PlayPumps, and the Potomac School in McLean, Virginia, as well as the advisory council of the National Geographic Society and the advisory board to the National Conference on Citizenship.

Steve Case
Chairman and CEO, Revolution; Co-Founder, America Online;
Chairman, The Case Foundation

Steve Case launched Revolution, a company that seeks to drive transformative change by shifting power to consumers, in April of 2005. Revolution's mission is to partner with entrepreneurs in building businesses that give people more choice, control and convenience in important areas of their lives. Revolution's current activities are focused on companies in the real estate/resort, wellness and healthcare sectors.

Prior to starting Revolution, Steve was the Chair and CEO of America Online, Inc., and later, the Chairman of AOL Time Warner. As the co-Founder of AOL, Steve played an integral role in building the world's largest Internet company and helped transform how people communicate, learn and conduct business. AOL brought millions of Americans their first connection to the Internet and drove worldwide adoption of a medium that has become more valuable than the telephone or television. Steve also ensured that AOL led the industry on issues like making the Internet a safe place for children, bridging the "digital divide," and investing in online philanthropy.

Steve is currently Chairman of two non-profit organizations: The Case Foundation, a private family foundation he established in 1997 with his wife Jean; and Accelerate Brain Cancer Cure (ABC2), an entrepreneurial approach to funding brain cancer research that he founded in 2001 with his late brother Dan. In addition, Steve was a founding organizer of Business Strengthening America and has served as vice chair of the Committee to Encourage Corporate Philanthropy. He was also honored with the National Mentoring Partnership Leadership Award.

Steve was born and raised in Hawaii, where he remains a leading advocate for combining respect for the islands' native culture and environment with job creation and economic growth. He is a major investor in two Hawaii businesses—Grove Farm of Kauai and Maui Land & Pineapple—that are developing fresh operating models for the agriculture industry and sustainable communities for residents and visitors.

Joe Cerrell

Director of Advocacy, Bill & Melinda Gates Foundation

Joe Cerrell is the director of Global Health Advocacy for the foundation. He oversees the foundation's global health communications, public policy, finance, and product commercialization. In this capacity, Cerrell manages a policy and advocacy grantmaking portfolio and oversees relations with governments, multilateral organizations, NGOs, the private sector, and other foundations.

Prior to joining the foundation, Cerrell served as assistant press secretary to former U.S. Vice President Al Gore. While in the White House, he was a senior member of a team responsible for advising the vice president on environmental and energy issues. He served as a White House liaison to elected officials, industry, environmental, religious and labor leaders as well as the media. He also acted as U.S. spokesperson for numerous vice presidential international state visits.

Cerrell was also vice president of the philanthropy practice at APCO Worldwide, overseeing the agency's nonprofit and foundation clients. He has provided communications support and served in an advisory capacity for three U.S. presidential campaigns. Cerrell received a bachelor's degree from the University of Southern California.

Cerrell serves on the board of directors of DATA (Debt AIDS Trade Africa), an organization founded by Bono and based in Washington, D.C., and the ONE Campaign. He is also an advisory board member of the Clinton Global Initiative and a member of the board of trustees at the Seattle Biomedical Research Institute.

Richard Cizik

Vice President for Governmental Affairs, National Association of Evangelicals

The Reverend Richard Cizik is Vice President for Governmental Affairs of the National Association of Evangelicals. His primary responsibilities include setting NAE's policy direction on issues before Congress, the White House, and Supreme Court, as well as serving as a national spokesman on issues of concern to evangelicals. His background includes a bachelor's degree, *cum laude*, in Political Science from Whitworth College; a master's degree in Public Affairs from the George Washington University School of Public & International Affairs (now called the Elliot School of International Affairs); a master's of Divinity from Denver Seminary, and an honorary doctorate of Ministry from the Methodist Episcopal Church in Christian Leadership. Post-graduate research awards include a Scottish-Rite Graduate Fellowship to George Washington University and a Rotary International Graduate Fellowship to the Republic of China. He is the author of over one hundred published articles and editorials, author and editor of *The High Cost of Indifference* (Regal Books), a contributor to *On Christian Freedom* (University Press of America), the *Dictionary of Christianity in America* (Inter-Varsity Press), and the landmark document "For the Health of the Nation: An Evangelical Call to Civic Engagement."

Rev. Cizik was ordained in 1992 to a specific ministry calling in public affairs with the National Association of Evangelicals by the Evangelical Presbyterian Church (one of 60 member denominations of NAE) and maintains a very active preaching and speaking schedule.

William Jefferson Clinton

Former President of the United States; Founder, William J. Clinton Foundation

William Jefferson Clinton was elected President of the United States in 1992, and again in 1996. Under his leadership, the United States enjoyed the strongest economy in a generation and the longest economic expansion in U.S. history. President Clinton's core values of building community, creating opportunity, and demanding responsibility resulted in unprecedented progress for America. His accomplishments as president include the creation of 22 million jobs, moving the nation from record deficits to record surpluses, increasing investment in education, providing tax relief for working families, helping millions of Americans move from welfare to work, expanding access to technology, encouraging investment in underserved communities, protecting the environment, countering the threat of terrorism, promoting peace and strengthening democracy around the world. His Administration's economic policies fostered the largest peacetime economic expansion in history. President Clinton previously served as the Governor of Arkansas, and chairman of the National Governors' Association and Attorney General of Arkansas. As former chairman of the Democratic Leadership Council, he is one of the original architects and leading advocates of the Third Way movement.

After leaving the White House, President Clinton established the William J. Clinton Foundation with the mission to strengthen the capacity of people to meet the challenges of global interdependence. The Foundation focuses on: health security; economic empowerment; leadership development, citizen service, and racial, ethnic and religious reconciliation. The Clinton Presidential Center, located in Little Rock, Arkansas, is comprised of the Library, the archives, Clinton Foundation offices and the Clinton School of Public Service.

In 2002 President Clinton began the Clinton Foundation HIV/AIDS Initiative (CHAI), which works with individual governments and provides them with technical assistance, human and financial resources, and know-how from the sharing of the best practices across projects. The Initiative's long-term goal is to develop replicable models for the scale-up of integrated programs in resource-poor settings.

In September 2005, President Clinton hosted the inaugural meeting of the Clinton Global Initiative, which is a non-partisan catalyst for action, bringing together a community of global leaders to devise and implement innovative solutions to some of the world's most pressing challenges. In the U.S., President Clinton works through the Clinton Foundation's Urban Enterprise Initiative to help small businesses acquire the tools they need to compete in the ever-changing urban marketplace. He also works along with the American Heart Association to combat childhood obesity and reverse this deadly trend facing American children.

Following Hurricane Katrina in August 2005, President Clinton and former President Bush established the Bush-Clinton Katrina Fund to assist survivors in the rebuilding effort. President Clinton also served as the United Nations Special Envoy for Tsunami Recovery for two years following the 2004 tsunami.

Ben Cohen

Co-founder, Ben & Jerry's; President, Business Leaders for Sensible Priorities

Ben Cohen is the co-founder of Ben & Jerry's. The business started in 1978 as a homemade ice cream parlor in a former gas station on an investment of \$8,000, went public and was sold in 2000. Ben was one of the early pioneers of socially responsible business. Under his leadership the company developed a mission statement

consisting of three inter-related parts: product, economic and social. Central to the mission of Ben & Jerry's is the belief that all three parts must thrive equally in a manner that commands deep respect for individuals in and outside the company and supports the communities of which they are a part.

Ben and Jerry have been recognized for fostering their company's commitment to social responsibility by the Council on Economic Priorities, which awarded them the Corporate Giving award in 1988 for donating 7.5 percent of their pre tax profits to nonprofit organizations through the Ben & Jerry's Foundation, and by the U.S. Small Business Administration, which named them U.S. Small Business Persons of the Year in 1988 in a White House ceremony hosted by President Reagan. They've also co-authored several books: *Ben & Jerry's Homemade Ice Cream & Dessert Book* (1987, Workman Publishing, New York), and most recently, *Double Dip—Lead with Your Values and Make Money, Too* (1997, Simon & Schuster, New York). Ben recently co-authored a book with Mal Warwick titled *Values-Driven Business* (2006).

Today, Ben is founder and president of Business Leaders for Sensible Priorities (BLSP). A non-partisan, not-for-profit corporation, BLSP is dedicated to enhancing our nation's security by educating the press, the public, policy makers and our business peers about the benefits of allocating more Federal budget dollars to education, health care, job training, humanitarian foreign aid—at no additional taxpayer expense—by eliminating Pentagon spending on unneeded Cold War-era weapons systems designed to thwart the former Soviet Union. The organization also focuses on a project called the TrueMajority, which is a free e-service that monitors Congress on issues of justice, compassion, and environmental sustainability. BLSP is a national organization of 650 corporate executives and business owners and leaders, founded in 1998.

Gary Cohen

Co-Executive Director, Health Care Without Harm

Gary Cohen is a founder and co-Executive Director of Health Care Without Harm, the international campaign for environmentally responsible healthcare. He is also the Executive Director of the Environmental Health Fund, which works on domestic and global chemical safety issues. He is the co-author of *Fighting Toxics* (Island Press, 1990) and the groundbreaking report, "The U.S. Military's Toxics Legacy." He served for many years as the Executive Director of the National Toxics Campaign Fund and is a founder of the Military Toxics Project, which addresses the public health legacy of the U.S. military. He is a member of the International Advisory Board of the Sambhavna Clinic and Documentation Center in Bhopal, India, which provides free medical care to the survivors of the Union Carbide gas disaster in Bhopal. He has been working on environmental health issues for twenty years and has published numerous articles on environmental health issues in the United States and India.

Kenneth A. Colburn

Senior Consultant, Center for Climate Strategies

Mr. Colburn is an independent consultant assisting states, foundations, and progressive companies in developing and implementing climate and clean energy policies, plans, and strategies. Mr. Colburn represented U.S. states at UNFCCC meetings for a decade, and has testified before Congress several times. Ken served as Executive Director of the Northeast States for Coordinated Air Use Management (NESCAUM) from 2002-2005. Prior to that, Ken led the Air Resources Division of the New Hampshire Department of Environmental Services (NHDES), helping to make that state a leader with the nation's first "4-pollutant" legislation for power plants and the first greenhouse gas emissions reduction registry law. Before joining NHDES in 1995, Ken was Vice President of the Business & Industry Association of New Hampshire

(BIA), representing the state's business community on environmental, energy, and telecommunications matters in legislative and regulatory forums. Ken holds a Bachelor's Degree in Mathematics from M.I.T. and a Master's Degree in Business Administration and Education from the University of New Hampshire. Ken and his family reside in Meredith, New Hampshire.

Andrea Coleman
CEO, Riders for Health

Andrea Coleman co-founded Riders for Health with her husband, Barry Coleman, and motorcycle-racer Randy Mamola in 1989, following four years of successful fundraising with Mamola in the field of motorcycle sport. As an ex-motorcycle racer and operations director for Team Castrol-Herron, Andrea used her experience and knowledge of the motorcycling community to devise an innovative fundraising strategy to support the development of Riders' field programs. Fundraising methods included the creation of a helmet-parking bus, racing memorabilia auctions and large-scale participatory events to build the unrestricted funding necessary for the organization's survival and development.

Andrea guided the financial and funding development of Riders and it was awarded 'Charity of the Year' by Charity Finance Magazine for 2001. In 2002 Riders won funding in the World Bank Development Marketplace competition and in 2004 Andrea won the Sage business award, in partnership with the Daily Telegraph, for business leader of the year. Andrea's creative input and people-focused approach has been integral to the development of the field programs and she continues to work closely with Barry and the operations team to oversee the programs.

In 2004, Andrea (CEO-Finance) and Barry (CEO-Operations) were inducted into the Schwab Foundation for Social Entrepreneurship. In 2006, they were also recipients of a Skoll Award for Social Entrepreneurship.

Vera Cordeiro
Founder, Association Saude Crianca Renascer

Dr. Vera Cordeiro was born in Rio de Janeiro, Brazil, graduated with a medical degree in 1975, and worked as a medical doctor at Hospital da Lagoa -Rio de Janeiro, from 1978 to 1998.

In 1991 Dr. Cordeiro founded Associação Saúde Criança Renascer (ASCR) with the purpose of reaching out to the families of less privileged children, people suffering with chronic or acute illnesses, and people released from the Hospital da Lagoa, and helping them find family self-sustainability. Since 1993, Dr. Cordeiro has enabled the creation of 16 similar NGOs to replicate her methodology, following the same modus-operandi of ASCR.

In recognition of ASCR's proven excellence, the organization and its founder have won 18 national and international awards including the Global Development Network's Award for the world's "Most Innovative Development Project" in 2003 and 2006, and the "Skoll Award for Social Entrepreneurship." Dr Cordeiro was selected as an Ashoka fellow in 1992, an AVINA leader in 2000, a Schwab Social Entrepreneur in 2001, and a board member of Path (A Catalyst for Global Health) in May 2005. She became a member of Ashoka's Board of Directors in 2005.

The history of ASCR and Vera Cordeiro's life is one of the chapters in *How to Change the World- Social Entrepreneurs and the Power of New Ideas*, by American journalist David Bornstein.

Linda Crompton

Co-Founder & President, Mindful Networks Group; Managing Director, Recipco Foundation

Linda Crompton heads a new-generation strategic and management services company that utilizes a unique global partnership model to help clients translate social vision into action. Mindful Networks serves mission driven companies seeking to incorporate for-profit concepts into their business model; social entrepreneurs and philanthropy organizations needing market-led approaches to achieve their goals; and corporations trying to implement shareholder, environmental and socially responsible principles into their corporate culture.

Prior to co-founding MNG Linda was the President of the Investor Responsibility Research Center, the world's leading source of independent, impartial research on corporations and shareholder issues. IRRC's mandate was to help institutional investors, financial regulators and corporations to better understand shareholder environmental, social and governance concerns. Before assuming the leadership role at IRRC, Linda was the founder and president of Citizen's Bank, making her Canada's first female bank president.

Linda has more than 25 years of business experience, always maintaining a focus on the nexus between for-profit market-driven enterprise and socially purposive firms. She has served on the Board of Directors of more than 30 organizations, and as a federal commissioner on the Canadian Democracy and Corporate Accountability Commission, which produced the 2002 Report -"The New Balance Sheet - Corporate Profits and Responsibility in the 21st Century." She has lived and worked on three continents, and holds a Bachelor's Degree in Political Science from Simon Fraser University in British Columbia, an Master's Degree in Political Theory from the University of British Columbia, and a Master's in Business Administration, Environmental Specialty, from the University of Kent at Canterbury in the UK.

Richard Curtis

Vice Chairman, Comic Relief

Richard Curtis is the co-founder and Vice-Chairman of Comic Relief and has co-produced the live television show of *Red Nose Day* for the BBC since 1987. Since then, Comic Relief has helped to raise over \$850,000,000 (£450,000,000) for charity projects in Africa and the U.K. He worked on the Make Poverty History 2005 campaign, concentrating on trade justice, and more aid and debt cancellation for the world's poorest countries. His credits as a writer include *Not The Nine O'Clock News*, *Blackadder* and *The Vicar of Dibley* for television and the films *Four Weddings and a Funeral*, *Bean*, *Notting Hill*, *Bridget Jones's Diary*, *Love Actually* and *Bridget Jones: The Edge of Reason*. In 2005 his TV drama, *The Girl In The Café*, focused on issues around the G8 summit.

John J. Danilovich

CEO, Millennium Challenge Corporation

Ambassador Danilovich began his duties as Chief Executive Officer for the Millennium Challenge Corporation on November 7, 2005. Prior to joining the MCC, the Ambassador had a distinguished career of more than thirty years in both the public and private sectors.

Ambassador Danilovich served as Ambassador to the Federative Republic of Brazil from June 2004 - November 2005 and as Ambassador to the Republic of Costa Rica from 2001-2004.

Prior to these appointments, Ambassador Danilovich was a businessman and private investor with a strong background in foreign affairs. A native Californian and resident

of London for many years, he was active in the international shipping business for over two decades and served as director of companies in the shipping, property, publishing and investment fields.

Ambassador Danilovich served on the Board of Directors of the Panama Canal Commission from 1991-1996 and chaired the Commission's Transition Committee prior to the transfer of the Canal to the Panamanians. He has been a Director of the Stanford University Trust, a Trustee of the American Museum in Britain, a Director of the U.S.-U.K. Fulbright Commission, and served in leadership positions for several charitable organizations.

The Ambassador graduated from Stanford University with a Bachelor's Degree in Political Science, and received a Master's Degree in International Relations from the University of Southern California (London). He is a member of the Council on Foreign Relations, an Associate Fellow of Pierson College (Yale University), a Knight of Malta and the recipient of several national and international awards.

Zoilo Jesus M. de la Cruz, III
Co-Founder, Nationlink Network

Zoilo Jesus M. de la Cruz III—or Jess de la Cruz, as most call him—is the co-founder and lead proponent of the NATIONLINK NETWORK. NATIONLINK aims to bring modern financial services to the countryside in the Philippines' 7,100 islands. The ultimate aim of the project is to enable the National Payment System for the countryside; thereby spurring the economic development in these areas where a good number of the poor, marginalized, and disadvantaged reside today. NATIONLINK's theme of "Linking the Nation, Transforming Lives" aptly describes the living miracle that has caught the hearts and minds of the industry such as Rural and Thrift banks, Cooperatives and Credit Unions, Micro Finance Providers, and Money Remittance companies operating in the countryside.

Mr. De la Cruz has an educational background in electronics, communications and computers. He has been involved in the banking and finance industry for 20 years, acting as adviser, consultant and solutions provider to numerous banks of all sizes. For a few years Jess was also a part owner and director of a small thrift bank.

Mr. De la Cruz is also a consummate entrepreneur who with his wife, Susan, co-founded the Philippines' leading banking and financial solutions provider, INFOSERVE INCORPORATED 27 years ago.

Raj M. Desai
Visiting Fellow, Wolfensohn Center for Development, The Brookings Institution
Associate Professor of International Development, Edmund A. Walsh School of Foreign Service, Georgetown University

Dr. Raj Desai is currently visiting fellow in the Wolfensohn Center for Development at the Brookings Institution in Washington, D.C. He is also an Associate Professor of International Development at the Edmund A. Walsh School of Foreign Service at Georgetown University, where he has taught for the past seven years. At the Wolfensohn Center, his work examines how antipoverty programs can be successfully implemented, scaled up, and sustained to solve key development challenges at the national, regional and global level.

Prior to joining the faculty of the School of Foreign Service, Dr. Desai was a private sector development specialist at the World Bank, where he worked on the privatization and restructuring of public enterprises in Eastern Europe and the former Soviet Union, and the recovery of financial systems following economic crises in Asia and Latin America.

Dr. Desai taught at Harvard University and Charles University in Prague and is an author of the World Bank's World Development Report 2005: A Better Investment Climate for Everyone, as well as numerous articles on economic reform, entrepreneurship, and poverty alleviation in the developing world. He has also served as a consultant to the World Bank Group, the Asian Development Bank, the United Nations Development Program, and other international organizations. He is the recipient of fellowships from the Social Sciences Research Council and from the National Science Foundation. He received his doctorate and master's degrees from Harvard University, and a bachelor's degree from the University of California, Irvine.

Ed Diener
Counsel, Skoll Foundation

Ed has worked as Counsel for the Skoll Foundation since September 2005. In that role, he provides expertise and leadership on legal, contracting, grant management and tax issues arising from the foundation's global work supporting social entrepreneurship. He also leads the foundation's efforts to create a global portfolio of program-related investments.

Ed was Vice President of Finance and Administration at The Omidyar Foundation from 2003 to 2004. From 1996 to 2002, he worked at The David and Lucile Packard Foundation, where he was Assistant Director of Finance and Administration and, later, Resident Counsel. At Packard, Ed was responsible for managing the foundation's program-related investment portfolio, which grew from \$8 million to \$160 million.

An attorney and Certified Public Accountant, Ed practiced commercial and corporate law for 17 years prior to entering the philanthropic sector. He graduated from Bowling Green State University magna cum laude with a Bachelor of Science degree in Accounting. He earned a law degree from Boalt Hall School of Law at the University of California at Berkeley and remains a member of the bar.

William M. Dietel
Chairman and Director, The F.B. Heron Foundation

William M. (Bill) Dietel has combined careers in educational, philanthropic and nonprofit sector leadership spanning more than 40 years. From 1961 to 1970 he was Principal of the Emma Willard School in Troy, New York. In 1970 he joined the Rockefeller Brothers Fund and served as its President from 1975 to 1987.

Mr. Dietel has had extensive experience as a board member and officer of a broad array of nonprofit organizations, including the American Farmland Trust, Colonial Williamsburg Foundation and BoardSource. Presently, he is President of the Pierson-Lovelace Foundation and the Brain Mapping Medical Research Organization at the UCLA Medical School, both in Los Angeles. He was appointed Chairman of the F. B. Heron Foundation in March 2003 and serves as the Chairman of Civil Society Systems, in Williamsburg, Virginia. He is a member of the Executive Committee of the Institute for Philanthropy in London.

As a private consultant, Mr. Dietel advises philanthropists and philanthropic organizations, as well as nonprofit organizations. His clients have included: the Wallace Genetic Foundation and the Mayday Fund. In 2001 he coauthored, with Linda R. Dietel, *The Board Chair Handbook*, published by the BoardSource.

A 1950 graduate of Princeton University, Mr. Dietel received a Master's Degree and Doctorate from Yale University. He also studied at the Institute of Historical Research at the University of London.

Amir A. Dossal

Executive Director, UN Fund for International Partnerships, United Nations

Amir Dossal is the United Nations representative for public/private partnerships. He guides the development of strategic alliances with corporations, foundations and philanthropists for achieving the Millennium Development Goals.

Amir is the UN's Chief Liaison for Ted Turner's \$1 billion donation for UN causes. Working closely with the UN Foundation, he has enabled support for over 450 programs in the areas of child health, population and women, climate change, and biodiversity for a value of over \$1 billion, which has included "investments" of over \$350 million from other donors.

Amir also oversees the management of the UN Democracy Fund, which he established in 2005, to strengthen democratic institutions and enhance democratic governance in new or restored democracies.

Amir has been behind numerous partnerships for the United Nations; these include the Coca-Cola Company, Commonwealth Business Council, US Chamber of Commerce, Bill and Melinda Gates Foundation, European Foundation Centre, Rockefeller Brothers Fund and Synergos. He has also spearheaded UN's engagement in new areas such as the technology sector working with Cisco Systems, Ericsson, Microsoft and Vodafone.

In 2006, he led the Transition Team to set-up the first ever peace-building Support Office to help bridge development gaps in post-conflict countries.

Born in Pakistan, Amir was educated there and in the United Kingdom, where he settled. He is a Chartered Accountant (FCA - England and Wales) having qualified from Deloitte, Haskins & Sells, London in 1975. He has lived and worked in Asia, Arab States, Caribbean, Europe and North America.

William Drayton

Founder and CEO, Ashoka; Founder and Chair, Youth Venture

Bill Drayton is a social entrepreneur. As a student, he was active in civil rights and founded a number of organizations ranging from Yale Legislative Services to Harvard's Ashoka Table, an interdisciplinary weekly forum in the social sciences. He graduated from Harvard with highest honors and went on to study at Balliol College in Oxford University, where he attained his master's degree with First Class Honors.

In 1970, he graduated from Yale Law School and began his career at McKinsey and Company in New York. From 1977 to 1981, Mr. Drayton served as Assistant Administrator at the U.S. Environmental Protection Agency where he launched emissions trading (the basis of Kyoto) among other reforms.

After his term at the EPA ended in 1981, he returned to McKinsey half-time and launched both Ashoka and Save EPA and its successor, Environmental Safety. With the support that he received unexpectedly when elected a MacArthur Fellow at the end of 1984, he was able to devote himself fully to Ashoka.

Mr. Drayton is currently the Chairman & Chief Executive Officer of Ashoka: Innovators for the Public. He is also chair of Youth Venture, Community Greens, and Get America Working! Mr. Drayton has won numerous awards and honors throughout his career, including, most recently in 2005, being selected as one of America's Best Leaders by US News & World Report and Harvard's Center for Public Leadership. In 2006, he was recognized as being one of Harvard University's 100 "Most Influential Alumni."

Christopher D. Earl
President & CEO, BIO Ventures for Global Health

Dr. Christopher D. Earl is President and CEO of BIO Ventures for Global Health, a not-for-profit organization dedicated to increasing the pipeline of innovative medicines for diseases of the developing world. BVGH is increasing access to novel vaccines, drugs and diagnostics by creating market-based incentives for industry commitment, catalyzing biotech innovation, and promoting public and private sector initiatives.

Dr. Earl previously served as Managing Director of the Perseus-Soros BioPharmaceutical Fund, L.P., a leading investor in later-stage life science companies, where he managed investments in biopharmaceutical companies and served as a director on portfolio company boards. Earlier in his career, Dr. Earl was President and CEO of Avitech Diagnostics, Inc., and a General Partner of Plant Resources Venture Funds.

Dr. Earl serves on the boards of Replidyne, Inc. and Asuragen, Inc., and on the Board of Governing Trustees of the Jackson Laboratory. Dr. Earl received a Bachelor's Degree in Biology from the University of Pennsylvania, and a Doctorate in Cellular and Developmental Biology from Harvard University.

Christopher J. Elias
President, PATH

Dr. Elias is president of PATH, an international, nonprofit, nongovernmental organization based in Seattle, Washington. PATH creates sustainable, culturally relevant solutions that enable communities worldwide to break longstanding cycles of poor health. By collaborating with diverse public- and private-sector partners, PATH helps provide appropriate health technologies and vital strategies that change the way people think and act.

Dr. Elias is responsible for PATH's strategic, programmatic, financial, and management operations. PATH has worked in more than 100 countries in the areas of health technologies, maternal and child health, reproductive health, vaccines and immunization, and emerging and epidemic diseases.

Prior to joining PATH, Dr. Elias was a Senior Associate in the International Programs Division of the Population Council. For six years, he served as the Country Representative in Thailand, where he managed reproductive health programs throughout Southeast Asia. In his earlier position with the Population Council in New York, Dr. Elias established and co-directed the Council's public-sector research and development program for woman-controlled HIV prevention technology.

Dr. Elias earned his undergraduate and medical degrees from Creighton University in Nebraska; completed post-graduate training in internal medicine at the University of California, San Francisco; and received a Master's Degree in Public Health from the University of Washington, where he was a fellow in the Robert Wood Johnson Clinical Scholars Program. He spent two years in Thailand working with refugee assistance programs, first as a physician supervising a large pediatric ward in a refugee encampment and then as a medical coordinator for the American Refugee Committee at the Thai-Cambodian border.

Eliana Elías

Executive Director, Minga Perú

Eliana Elías is a Peruvian social entrepreneur and an expert in intercultural communication for social change. She has been an AVINA leader and Ashoka fellow for seven years, and is also a member of the Social Responsibility Network in Perú and the Commission of Education and Communication of the International Union for Nature Preservation.

Since 1991 she has been a consultant for social and state organizations that deal with health, education and conservation both in Peru and abroad, researching and implementing communication strategies that contribute to improve the lives of the poorest and most discriminated.

Founder and executive Director of Minga Perú, a non-profit organization that promotes social justice and human dignity in rural communities of the Amazon region, Elías has achieved, together with Minga's team, the consolidation of an innovative intercultural communication model for social change. At present, she continues working on it in the Peruvian Amazonian Region, educating indigenous communicators and training entrepreneurs and social leaders of Latin-American Associations

Sir Richard Feachem

Former Executive Director of the Global Fund to Fight AIDS

Since 1999, Richard G A Feachem has been Professor of Global Health at both the University of California, San Francisco and the University of California, Berkeley and the founding director of the Institute for Global Health. He is also a Visiting Professor at London University and an Honorary Professor at the University of Queensland.

From 2002 to 2007, Sir Richard served as founding Executive Director of the Global Fund to Fight AIDS, Tuberculosis and Malaria. During this time, the Global Fund became the world's largest health financing institution for developing countries, with assets of over US \$10.5 billion, supporting 450 programs in 136 countries.

From 1995 until 1999 Dr. Feachem was Director for Health, Nutrition and Population at the World Bank. Previously (1989-1995), he was Dean of the London School of Hygiene and Tropical Medicine. Professor Feachem served as Chairman of the Foundation Council of the Global Forum for Health Research; Treasurer of the International AIDS Vaccine Initiative; Council Member of Voluntary Service Overseas; and on numerous other boards and committees. He was a member of the Commission on Macroeconomics and Health, and the Commission on HIV and Governance in Africa. He has worked in international health and development for 35 years and has published extensively on public health and health policy.

Professor Feachem holds a Doctor of Science degree in Medicine from the University of London, and a PhD in Environmental Health from the University of New South Wales. In 2007, he was awarded an Honorary Doctorate in Engineering by the University of Birmingham. He is a Fellow of the Royal Academy of Engineering and an Honorary Fellow of the Faculty of Public Health Medicine of the Royal College of Physicians and of the American Society of Tropical Medicine and Hygiene. In 2002 he was elected to membership of the Institute of Medicine of the US National Academy of Sciences. Sir Richard was knighted by Her Majesty Queen Elizabeth II in 2007.

Janine Firpo
President and Co-Founder, Sevak Solutions

Janine is President of Sevak Solutions, a nonprofit company that she co-founded to promote inclusive systems for the delivery of financial services to the world's 1.7 billion urban and rural poor. Janine's current work is a direct outgrowth of the leadership position she held for five years as Director of Global Multisector Initiatives at the Hewlett-Packard Company.

Prior to joining Hewlett-Packard, Janine worked as a consultant focused on successfully integrating information technology into emerging markets. Through her business, SEMBA Consulting, she developed strategies and implemented systems that brought information and communications technologies to schools, governments, and businesses in developing countries. Her client list included the World Bank and the United States Government.

Janine brings over 24 years experience in technology, international development, and consortium building to her efforts. As the Director of New Media for Random House Publishing, she was involved in targeting early stage Internet companies for partnerships, investments and acquisition. She was also involved in the early days of CD-ROM development as both Vice President of Product Development at A.D.A.M. Software and as Higher Education Evangelist for Apple Computer. She began her career as an assembly language programmer before the days of the personal computer.

Janine holds a Master's Degree in Marine Biology and Computer Science from the University of Florida and a bachelor's degree from UCLA. She serves on the Board of WaterPartners, a non-profit that seeks to ensure that everyone in the world can take a safe drink of water. Janine is also an Advisor for Kiva, an online marketplace for microfinance, and the Presidio School of Management.

William H. Foege
Fellow, Bill & Melinda Gates Foundation

William H. Foege is an epidemiologist who worked in the successful campaign to eradicate smallpox in the 1970s. Dr. Foege became Chief of the CDC Smallpox Eradication Program, and was appointed director of the U.S. Centers for Disease Control in 1977. He attended Pacific Lutheran University, received his Medical Degree from the University of Washington, and his Master's in Public Health from Harvard University.

In 1984, Dr. Foege and several colleagues formed the Task Force for Child Survival, a working group for the World Health Organization, UNICEF, The World Bank, the United Nations Development Program, and the Rockefeller Foundation. Its success in accelerating childhood immunization led to an expansion of its mandate in 1991 to include other issues, which diminish the quality of life for children.

Dr. Foege joined The Carter Center in 1986 as its Executive Director, Fellow for Health Policy and Executive Director of Global 2000. In 1992, he resigned but continued in his role as a Fellow and as Executive Director of the Task Force for Child Survival and Development. In January 1997, he joined the faculty of Emory University, where he was the Presidential Distinguished Professor of International Health at the Rollins School of Public Health. In September 1999, he became a Senior Medical Advisor for the Bill and Melinda Gates Foundation. In October 1999, he resigned as Executive Director of the Task Force for Child Survival and Development. Dr. Foege retired from both Emory University and the Gates Foundation in December of 2001; however, he remains active in both organizations as the Presidential Distinguished Professor Emeritus of International Health and as a Gates Fellow.

Dr. Foege is the recipient of many awards, holds honorary degrees from numerous institutions, and was named a Fellow of the London School of Tropical Medicine and Hygiene in 1997. He is the author of more than 125 professional publications.

Meg Garlinghouse
Director, Yahoo! for Good

Meg Garlinghouse oversees Yahoo! for Good, the company's community affairs initiative. Yahoo! for Good is committed to making a difference in the world by empowering its users and employees with products and services that inspire them to make a positive impact in the world.

By leveraging Yahoo!'s biggest assets—its reach to over 500 million users—Garlinghouse has led campaigns that raised millions of dollars for charities, matched people with volunteer opportunities and connected consumers with causes. For example, in partnership with Declare Yourself, Yahoo! registered over one million people to vote for the 2004 presidential election. The company also facilitated nearly \$75 million in user donations via its home page in support of both the Asian tsunami and Hurricane Katrina. And Yahoo! inaugurated Cyber Giving Week in 2005, helping generate more than four million dollars in donations for dozens of charities.

Garlinghouse has nearly ten years of experience working in the technology and philanthropy sector. Prior to joining Yahoo!, Garlinghouse worked at Netcentives, an internet marketing company, where she founded its nonprofit partnership program that helped charities raise money on the internet. She also has a background in international development, working for the Asia Foundation as special assistant to the president and in the private sector development department of the World Bank. She served as a Peace Corps volunteer in Niger, West Africa, running projects designed to raise the social and economic status of rural villagers. Garlinghouse received her Bachelor's Degree in Public Policy studies from Duke University and a Master's in Public Policy from the John F. Kennedy School of Government at Harvard University.

Juliette Gimon
Trustee, The William and Flora Hewlett Foundation
Co-Founder, Global Philanthropy Forum

Juliette Gimon is a Family Council Member of the Flora Family Foundation. In 2000, as one of the first fellows of the William and Flora Hewlett Foundation, she co-founded the Global Philanthropy Forum, which is now a project of the World Affairs Council of Northern California. While working with the Forum, Ms. Gimon served as its Outreach and Development Coordinator.

Previously, Ms. Gimon designed and implemented recycling programs for Fundación Natura, an Ecuadorian conservation foundation. Prior to that, she volunteered with WorldTeach as an English instructor to middle and high school students outside Quito, Ecuador. Ms. Gimon earned her Bachelor's Degree in Anthropology from Columbia University. She currently serves on the boards of both The Synergos Institute and The Global Fund for Children. She also serves on the Advisory Committees of Youth Philanthropy Worldwide and the Global Philanthropy Forum.

Rachel Glennerster

**Executive Director, Abdul Latif Jameel Poverty Action Lab
Massachusetts Institute of Technology**

Rachel Glennerster is Executive Director of the Abdul Latif Jameel Poverty Action Lab at MIT (J-PAL) which seeks to reduce poverty by ensuring that policy is based on scientific evidence. J-PAL is a network of researchers that runs over 30 randomized evaluations of poverty programs in 12 countries in close cooperation with local partners, trains others in how to measure social impact through randomized trials, and helps translate research into action by disseminating the implications of rigorous research to policy makers. Dr. Glennerster received her Doctorate in Economics from the University of London, and worked as an economist for the UK Treasury, the Harvard Institute for International Development, and the International Monetary Fund before joining J-PAL.

She is coauthor of *Strong Medicine: Creating Incentives for Pharmaceutical Research on Neglected Diseases*, which sets out the economic rationale for—and the best way to design—an Advance Market Commitment for vaccines into neglected diseases—an idea which has recently been adopted by major donors with the launch of a pilot AMC for pneumococcus. Her current research includes an evaluation of the best way to empower adolescent girls in Bangladesh, the role of Community Driven Development in building trust in post war Sierra Leone, evaluating the social and economic impact of microcredit in urban India, and new ways to combat poor health in isolated rural communities in Rajasthan.

Gopi Gopalakrishnan

President, Janani

Gopalakrishnan has wide experience in designing and administering programs that use private sector resources to deliver services to the poor. Working for renowned social marketing and social franchising organizations since the late 1980s, his fields of interest include family planning, health and disease prevention. He has headed country programs of DKT International, the US-based charity and the second largest social marketing organization in the world, in India and Vietnam and was also its Director of International Programs based in Washington DC. Currently, he is on its executive board.

Gopalakrishnan founded Janani in 1995 in Bihar, the poorest Indian state that is home to five percent of the world's poor. The program used formal and informal networks of private providers to deliver reproductive health services in an area inhabited by 110 million people. He headed Janani for nine years before moving to Vietnam in early 2006.

Gopalakrishnan specializes in design of programs with measurable outputs and in communication and information campaigns, distribution plans and management systems. In the last five years, his involvement in social franchising has helped DKT International add innovative components in its programs in Ethiopia and India. Vietnam is currently integrating a franchising component.

Gopalakrishnan has been on the summer faculty of University of California, Berkeley, where he has taught students and program managers on leadership issues and management systems. He has regularly given talks at USAID, the Packard Foundation, University of California, San Francisco, WHO and at many private foundations of North America and Asia. He has been a member of the Population Commission of India which advises the Prime Minister. He has provided consultancy services to the British ODA (now DFID), the Government of India, Indian Institute of Health Management and Research, UNFPA, USAID and the APAC and BASICS projects of USAID.

Harish Hande
Managing Director, SELCO-India

Dr. Hande is an engineer and a renewable energy entrepreneur with extensive experience meeting the energy requirements of the health, education and water sectors. He is the co-founder of SELCO-India, the first solar energy service company in India. He is also a founder and director of S³IDF-South Asia.

Since 1995, SELCO-India has installed over 65,000 PV systems. His experience includes a large number of health, education and water related projects: over 100 small rural and urban health clinics, over 200 rural and semi-urban schools and dormitories, and over 250 irrigation and drinking water systems. He has also worked on hybrids, such as PV-grid hybrids. Dr. Hande brings both technical, practical field and commercial expertise for fostering sustainable projects.

Pamela Hartigan
Managing Director, Schwab Foundation for Social Entrepreneurship

Dr. Hartigan is the Managing Director of the Schwab Foundation for Social Entrepreneurship, a Swiss-based organization founded in 1998 and focused on advancing the practice of social entrepreneurship globally, building and supporting its community of practitioners whose efforts have achieved transformational social change. The Foundation invests its resources in providing leading social entrepreneurs with unprecedented opportunities to gain access to the power, resources and influence represented by the members of the World Economic Forum, its sister organization, thus furthering the legitimacy of their work, and facilitating unique partnerships with the corporate and public sectors that enable them to replicate and scale their groundbreaking efforts. Dr. Hartigan is the Foundation's first Managing Director and has been responsible for shaping the strategy and operations pursued by the Foundation to achieve its mission.

Dr. Hartigan is a frequent lecturer on social entrepreneurship and innovation at graduate schools of business in the U.S. and Europe, and is currently co-authoring a book on social entrepreneurship to be published in 2007 by Harvard Business Press entitled *The Power of Unreasonable People: How Entrepreneurs Create Markets to Change the World*.

Throughout her career, Dr. Hartigan has held varied leadership positions in multilateral health organizations and educational institutions as well as in entrepreneurial non-profits. She has been responsible for conceptualizing and creating new organizations, departments or programs across a variety institutional arrangements and multi-stakeholder platforms.

Hal Harvey
Program Director, Environment, The William and Flora Hewlett Foundation

Mr. Harvey is the Environment Program Director at The William and Flora Hewlett Foundation. The Hewlett Foundation focuses on preserving the great landscapes and ecosystems of the North American West, and reducing the threat of global warming by promoting sound energy policy. The latter program supports work in the U.S., Mexico, Brazil, Canada, and China.

From 1990 through 2001, Mr. Harvey served as founder and President of the Energy Foundation, a joint initiative of a half-dozen large U.S. Foundations. The Energy Foundation has an annual budget of \$30 million, and programs in the U.S. and China.

Mr. Harvey was also a member of the Energy Panel of the President's Committee of Advisors on Science and Technology, where he chaired the Transportation Task

Force and was a member of the Energy Efficiency Task Force (Clinton). He was also a member of the Energy Task Force of the President's Council on Environmental Quality (Bush I).

Prior to 1990, Mr. Harvey ran a construction company in Colorado, designing and building solar homes, and was Security Program Director of Rocky Mountain Institute. Mr. Harvey is the President of the Board of Directors of the New-Land Foundation, in New York City. He is Chairman of the Board and Chairman of the Executive of MB Financial Bank of Chicago, an \$8 billion bank holding company. He has served as a member of the Environment Committee of the Heinz Endowments, and as a Chairman of the Environment Jury for the Heinz Awards. In 2005, Mr. Harvey served as the Rhodes Chair and Lecturer in Public Policy at the Barrett Honors College of Arizona State University.

Mr. Harvey has a Bachelor's and Master's Degree from Stanford University in Engineering, specializing in Energy Planning. He is the co-author of *Security Without War: A Post Cold War Security Policy*, and has written articles and Op-Eds for many publications.

Noosheen Hashemi
Co-founder and President, The H.A.N.D. Foundation

Noosheen Hashemi is a philanthropist with a passion for entrepreneurship and economic development. Since 2003, she has led her family's charitable giving through The H.A.N.D. Foundation, which has committed significant resources to research and capacity building. Forsat.org, an online educational resource to promote entrepreneurship and free markets in Persian-speaking countries, and H.A.N.D. Research Foundation, an online resource for studying Iran's economy, are two of the programs of the organization. She is founder and the Chairman of PARS Community Foundation, the first Persian community foundation in the U.S. and the leading Persian philanthropic institution practicing strategic philanthropy and promoting social entrepreneurship around the globe.

Between 1985 and 1995, Noosheen worked at Oracle, where she took part in the meteoric rise in the software industry. She was appointed Director of Finance and Administration in 1988, and named Vice President in 1990. In 1991, she won Oracle's "Against All Odds Award" for her role in the company's financial turnaround. After becoming a Stanford Sloan Fellow in 1993, she became Vice President of Marketing and Business Development for Oracle's Worldwide Education business. In 1996, Ms. Hashemi joined Quote.com, a profitable finance portal, where she was Vice President of Sales and Marketing.

She holds a B.S. in Economics from San Jose State University and an M.S. in Management from Stanford's Graduate School of Business.

David Heymann
Acting Assistant Director-General for Communicable Diseases,
World Health Organization

Dr. David Heymann is the Assistant Director-General for Communicable Diseases and Representative of the Director-General for Polio Eradication. Prior to this, from July 1998 until July 2003, Dr. Heymann was Executive Director of the WHO Communicable Diseases Cluster. From October 1995 to July 1998, Dr. Heymann was Director of the WHO Programme on Emerging and other Communicable Diseases, and prior to that was the Chief of research activities in the WHO Global Programme on AIDS. Before joining WHO, Dr. Heymann worked for thirteen years as a medical epidemiologist in sub-Saharan Africa on assignment from the US Centers for Disease

Control and Prevention (CDC). Dr. Heymann also worked for two years in India as a medical epidemiologist in the WHO Smallpox Eradication Programme.

Dr. Heymann holds a bachelor's degree from the Pennsylvania State University, a medical degree from Wake Forest University, a Diploma in Tropical Medicine and Hygiene from the London School of Hygiene and Tropical Medicine, and has completed practical epidemiology training in the two-year Epidemic Intelligence Service of CDC. In 2004 he received the American Public Health Association Award for Excellence and was named to the United States Institute of Medicine. In 2005 he was awarded a Welling Professorship at the George Washington University School of Public Health and the 2005 Donald Mackay medal by the American Society of Tropical Medicine and Hygiene.

Kurt Hoffman
Director, Shell Foundation

Kurt Hoffman joined Royal Dutch/Shell in 1997 initially to help assess and restructure the Shell Group's global social investment activities. This led to the design and launch of the international Shell Foundation in June 2000. Under his leadership the Foundation developed a portfolio of more than 80 initiatives spread across more than 20 countries. Prior to joining Shell, Kurt Hoffman's career as a development professional included ten years as a Reader in Development Economics and as a Senior Fellow at the Science Policy Research Unit at the University of Sussex, Brighton, UK. His career also included a decade and a half in senior advisory and operational assignments for governments throughout the developing world, foundations, and international agencies such as the U.N., European Union, and World Bank. In parallel, he pursued a career in business as a strategic advisor to international companies setting up manufacturing facilities in developing countries, and as an entrepreneur, raising venture financing to launch and run two small business start-ups. Until recently, he also served as chairman of one of the longest running small family businesses in the UK. Kurt was elected a Fellow of the Royal Society of Arts in 2003, and serves on the boards of a small number of for-profit and not-for-profit entities.

Mr. Hoffman received his undergraduate degrees from American University and Georgetown University in Washington, D.C., and then completed his graduate and post-graduate work at the University of Sussex, U.K.

Mary Ellen Iskenderian
President and CEO, Women's World Banking

Mary Ellen Iskenderian became President and CEO of Women's World Banking in September 2006, making her the organization's first new president in 16 years. Ms. Iskenderian brings to WWB over 20 years of experience in building financial systems globally as a senior manager at the International Finance Corporation of the World Bank Group. She is poised to develop and launch WWB's new strategy that will focus on continued leadership in capital markets development, renewed strategic focus on gender and women's leadership initiatives, and the creation of an expansion strategy for WWB's global network of microfinance institutions and commercial banks.

Ms. Iskenderian has held numerous leadership positions in various regions and sectors at the IFC, including Director of Partnership Development, Director of Global Financial Markets Portfolio and Director of the South Asia Regional Department. She currently sits on the advisory boards of the Dignity Fund and Kiva. Prior to joining WWB, she was a director on numerous corporate boards, including ShoreCap International, an important equity and loan fund for microfinance.

Ms. Iskenderian received a Master's Degree in Business Administration from the Yale School of Organization and Management and a Bachelor's Degree in International Economics from the Georgetown University School of Foreign Service.

WWB is a leading non-profit microfinance organization working to expand the economic power of low-income women and their families in over 30 countries worldwide by opening their access to financial services and information. Based in New York City, the WWB Global Team works hand-in-hand with the WWB Network of more than 50 microfinance partners, helping women lift themselves out of poverty by operating small, sustainable businesses. The WWB Network reaches nearly 23 million clients in Asia, Latin America, Africa, Eastern Europe and the Middle East.

Thomas R. Jacob
Government Affairs Manager, Western Region, DuPont Company

Tom Jacob is responsible for DuPont's relations with state governments of California and the other Western states. He manages legislative and other activities from a newly established office in Sacramento. His responsibilities extend across the spectrum of DuPont's science-based business interests.

Prior to returning to California in late 2005, Tom spent the previous decade managing DuPont's involvement with environment-related intergovernmental negotiations, ranging from the World Trade Organization to the World Summit on Sustainable Development. This has included extensive direct involvement with the UN Framework Convention on Climate Change and its Kyoto Protocol, the Convention on Biological Diversity, and various chemicals-related treaties and negotiations.

Tom began his DuPont career with the Economics & Policy Division of its former petroleum subsidiary, Conoco. His background also includes a stint as the Senior Planner at the (Lake) Tahoe Regional Planning Agency.

Tom holds two master's degrees from Yale University, with concentrations in Finance and in Natural Resource Policy & Economics; and an undergraduate degree from the University of California, Davis.

David Keller
President, David and Anita Keller Foundation

David has an Associate's Degree in Electronic Engineering from Mission College and a Bachelor's Degree in Sociology from University of California, Berkeley. He worked in a number of diverse industries including health care, heavy manufacturing, civil service, and finally high technology where he worked at increasing levels of responsibility at ROLM Corporation during the 1980's and then at Cisco Systems from 1989–2002 as Vice President of Manufacturing and Product Development Process. He now works as an independent business consultant and pursues philanthropic opportunities.

David and his family have established a modest family foundation with the mission to leverage resources and experience in making innovative social investments through a thoughtful and balanced portfolio of giving. The approach is global and the areas of focus are human rights, economic development, social opportunities and basic human needs.

Jacqueline Khor
Associate Director, Program Venture Investments, The Rockefeller Foundation

Jackie Khor is an Associate Director at the Rockefeller Foundation. She has managed the Rockefeller Foundation's Program Venture Experiment (ProVenEx) since 1998. ProVenEx is a \$23 million investment fund within the Foundation that extends loan guarantees and makes program-related and private equity investments to catalyze

private sector capital into underserved sectors and geographies that are synergistic with the foundation's grant-making activities. Jackie is also part of various initiatives in development at the foundation that may potentially involve engagement with the private sector.

Prior to joining the Rockefeller Foundation, Jackie was Director of the New York City Partnership's Employment Program. She was previously a Vice President in Lehman Brothers' public finance investment banking unit in New York and San Francisco. She also worked in mergers and acquisitions consulting to the insurance industry. She has a Bachelor's Degree in Business Administration from the University of California, Berkeley and a Master's Degree in Public and Private Management from the Yale School of Management.

Angélique Kidjo

Singer and Songwriter; Goodwill Ambassador, UNICEF

The explosive growth in the popularity of world music during the past several decades has broadened the boundaries of our world, reminding listeners of the vast cultural wealth and diversity in this wired age. The music of African-born songstress Angélique Kidjo offers another perspective: that the world is also much smaller than we think, and that no matter how far flung its peoples may be, subtle lines of inter-connection span the globe, uniting its people.

Angélique Kidjo, whose work has garnered her four Grammy nominations, has cross-pollinated the West African traditions of her childhood in Benin with elements of American R&B, funk and jazz, as well as influences from Europe and Latin America. Throughout her career, she has collaborated with a diverse group of international artists like Carlos Santana, Gilberto Gil, and Dave Matthews.

The daughter of an actress, dancer and theatrical producer, Kidjo was born in Quidah, a coastal city in the West African country of Benin. Inheriting her mother's love of performing, she made her stage debut with her mother's theatrical troupe, and was singing professionally by the time she was twenty. The oppressive political turmoil in her country led her to relocate to Paris in 1980, the capital of world music, and then ultimately to New York City, where she now resides.

Her striking voice, stage presence and her fluency in multiple cultures and languages won respect from her peers and expanded her following across national borders. It also earned her access to humanitarians who sensed the passion in the words of her songs, resulting in her long-term dedication to global charity work. Kidjo has traveled far and mesmerized audiences on countless stages, speaking out on behalf of the children in her capacity as a UNICEF goodwill ambassador.

Liza Kimbo

Director, Sustainable Healthcare Foundation

Liza is the Director of Sustainable Healthcare Foundation, which owns and runs the CFWshop's franchise outlets in Nairobi, Kenya. She specializes in Health Services Management and holds Master's Degrees in Health Systems Management (London School of Hygiene and Tropical Medicine, 2005), and Business Administration (USIU, 1994) and a Bachelor's Degree in Finance (University of Connecticut, 1989). She has experience as a bank financial analyst, financial and strategic planning manager having served six years in senior management at Standard Chartered Bank in Nairobi. She subsequently set up a private retail pharmaceutical distribution chain with four company-owned and seven contract-managed pharmacies. Liza then worked with HealthStore Foundation to establish the Sustainable Healthcare Foundation managing the innovative CFWshop's health franchise network, which currently

operates 68 health outlets serving over 450,000 clients per year. In 2007 Liza joined AED (Academy for Educational Development) to run their Regional Office based in Nairobi, and continues to be a strong advocate for the use of franchising in health-care and general development initiatives.

Lisa Lynn Kahululani Kleissner
President and Co-founder, KL Felicitas Foundation

Lisa Kleissner is the President of the KL Felicitas Foundation, a family foundation she co-founded with her husband Charly in 2000. The foundation is dedicated both to supporting projects that revitalize rural communities and their natural environments through sustainable economic development, and to supporting the work of social entrepreneurs both locally and internationally.

Locally, Lisa provides pro-bono architectural, project and construction management services for non-profits. Projects include the Big Sur Health Center's new facility, the Community Foundation Silicon Valley's headquarters in San Jose and the Castilleja School Administration Building and Chapel.

Additionally, Lisa leads fund raising efforts for a variety of both local and international non-profits focusing on capital and endowment campaigns.

Internationally, Lisa is working on sustainable hybrid micro-enterprise projects in rural Sri Lanka using both her architectural and business skills.

Lisa was raised in Hawaii and attended the Kamehameha Schools and the University of Hawaii at Manoa, graduating with a BArch in Environmental Design. She was the Vice President of an architectural firm in Hawaii doing work in Hong Kong, Singapore, Sri Lanka and Malaysia. Most recently she was the president of The Kleissner Group, an architectural and project management firm in Silicon Valley.

Charly Kleissner
Co-founder, KL Felicitas Foundation

Dr. Charly Kleissner is a philanthropic entrepreneur utilizing his high technology background in his venture philanthropy. He is co-founder of the KL Felicitas Foundation and the Social-Impact initiative helping social entrepreneurs worldwide to accelerate and increase their social impact. Dr. Kleissner serves on the Advisory Board of multiple not-for-profit companies like Acumen Fund, Global Social Benefit Incubator, Alliance for a New Humanity, and the Global Philanthropy Forum.

Dr. Kleissner has over twenty years of experience as a senior technology executive in Silicon Valley. He held executive and senior engineering management positions at Ariba Inc., NeXT Software Inc., Digital Equipment Corp., and Hewlett-Packard Company. Dr. Kleissner serves on the Advisory Board of multiple for-profit start-up companies like Papilia and Rearden Commerce Inc.

Dr. Kleissner earned his M.S. and Ph.D. in Computer Science from the University of Technology, Vienna. He authored two software patents and published numerous articles. Dr. Kleissner received the 'Distinguished Alumnus' award from the University of Technology, Vienna.

Johann Olav Koss
President and CEO, Right to Play International

Johann Koss is one of the greatest winter athletes of all time. The four-time Olympic Gold Medalist in speed skating made world headlines when he won three Gold Medals at the 1994 Lillehammer Games in the 1,500-, 5,000-, and 10,000- metre events.

Over the course of his career, he broke a total of 11 world records, won three World All-round Championships, and numerous World Cups and National Championships.

Johann's achievements on the ice have since been eclipsed by his efforts on behalf of Right to Play, an athlete-driven international humanitarian organization that uses sport and play as a tool for development of children and youth in the most disadvantaged areas of the world. Johann first became involved with Right to Play (then known as Olympic Aid) in 1993 when he visited the African country of Eritrea. He was profoundly moved by the plight of the children. At Lillehammer, Johann donated the prize money from his 1500m victory to Olympic Aid and challenged other athletes to do the same.

Since Lillehammer, Johann has dedicated himself to growing Right to Play into an internationally recognized non-governmental organization and a leader in Sport for Development. Sport for Development uses sport and play to enhance the healthy physical and psycho-social development of children and build stronger communities. Today, Right to Play develops and implements child and community development programs in 24 countries in Africa, Asia, and the Middle East, working with the U.N. and other agencies, including UNICEF, UNHCR, GAVI, and WHO.

Andrew Kuper

Managing Director, Strategic Partnerships, Ashoka: Innovators for the Public

Dr. Andrew Kuper is a Managing Director at Ashoka, supporting over 1800 social entrepreneurs in 60 countries. He leads Strategic Partnerships between Ashoka and global firms such as McKinsey & Company, changing the way companies do business and create social change.

Andy is a leading innovator in philanthropy, poverty relief, and democracy. He is willing to share ideas (with anyone who will listen) on how to build new financing mechanisms and partnerships to end poverty. His recent books on these topics are *Democracy Beyond Borders* (Oxford) and *Global Responsibilities* (Routledge). His articles on systems-changing philanthropy (written during stints at Cambridge, Harvard, and Columbia) include "Harnessing Corporate Power" and "Global Poverty Relief: More Than Charity."

Born and raised in South Africa, Andy started his first venture at age 10, and has been a serial entrepreneur ever since.

Philip LaRocco

Executive Director, E&Co.

Mr. LaRocco is the founder and Executive Director of E&Co., the leading practitioner of the enterprise-centered model of investing in energy enterprises in developing countries. Since 1998, E&Co has invested in more than one hundred and fifty enterprises and mobilized more than \$155 million of capital. These enterprises provide modern energy to 3.1 million people; save 204,000 tons of firewood; produce 59 million liters of clean water and offset 1.2 million tons of carbon dioxide equivalents.

E&Co, a non-profit, public purpose investment company, has offices in Bolivia, Brazil, China, Costa Rica, Ghana, the Netherlands, South Africa, Thailand and the United States.

Mr. LaRocco has over thirty years of international experience. Until 1990 he served as the Director of World Trade and Economic Development for the Port Authority of New York and New Jersey with responsibility for the World Trade Center (NY), a network of trade development offices and a portfolio of industrial development and waste-to-energy projects.

In addition to his duties as E&Co's CEO, Mr. LaRocco focuses on financing structures and the creation of practical, hands-on training materials for entrepreneurs, financial professionals, development practitioners and policy makers. More than 800 entrepreneurs in over thirty developing countries have been trained through the efforts of E&Co and its partner organizations.

Salvatore LaSpada
CEO, Institute for Philanthropy

Dr. Salvatore LaSpada is the newly appointed Chief Executive of the Institute for Philanthropy (London). Formerly, he was Director of The Philanthropy Workshop (TPW) at the Rockefeller Foundation, a strategic philanthropy training and networking program for high net worth individuals and new foundation trustees which is now housed at the Institute for Philanthropy. From 1993-1999, he was a philanthropic advisor to the Rockefeller family at Rockefeller Financial Services. His previous affiliations include the Brazil Office of the Ford Foundation, the Rockefeller Foundation (where he was earlier a post-doctoral Fellow), and the MacArthur Foundation (where he was a Visiting Scholar). He was an Eisenhower Fellow in Argentina where he promoted strategic philanthropy to corporations and individuals of wealth. Previous to his work in philanthropy, he was founder and director of the Urban Video Project, a media education program for at-risk minority youth in New York City.

Dr. LaSpada is a Trustee of two grant making trusts, the Skarlinec Engagement (London) and the Raymond and Gloria Naftali Foundation (New York). He is the former Chair of Tamkeen: The Center for Arab-American Empowerment, Hispanics in Philanthropy and the Hetrick-Martin Institute. He serves on the advisory committee of Philanthropy UK and the Global Equity Initiative at Harvard University. He is a visiting lecturer at the University of Bologna's Masters in International Studies in Philanthropy.

Dr. LaSpada has a Bachelor's Degree in Ancient Greek and Latin (Haverford College), Master's Degrees in Communication and Education (Temple University and Columbia University) and a Doctorate in International Education and Development (Columbia University).

Peter Lehner
Executive Director, Natural Resources Defense Council

In January of 2007 Peter Lehner assumed the Executive Director position at the Natural Resources Defense Council (NRDC), a leading non-profit organization working to protect people's health, communities and environment. Founded in 1970, NRDC has a staff of more than 300 of the best legal, scientific and policy minds and the backing of more than 1.2 million members and online activists served from offices in New York, Washington, D.C., Los Angeles, San Francisco, Chicago and Beijing.

Lehner came to NRDC after eight years as Chief of Attorney General Eliot Spitzer's Environmental Protection Bureau. Lehner led a staff of 40 lawyers and ten scientists. He supervised all environmental litigation by the state, prosecuting a wide variety of polluters and developing an innovative multi-state strategy targeting global warming emissions from the country's largest electric utility companies.

Lehner's experience with the Attorney General encompasses many concerns that are central to NRDC's work, including Clean Air Act enforcement cases against coal-fired power plants, watershed-based clean water enforcement, invasive species, hazardous waste cleanup, green buildings, and acid rain.

This is Lehner's second tour of duty with NRDC, where he was the senior attorney in charge of the water program from 1994 to 1999. Before that, he created the environmental prosecution unit at the New York City Law Department. Lehner also clerked for Chief Judge James Browning of the U.S. Court of Appeals for the North Circuit. He is a graduate of Columbia University Law School, where he continues to teach environmental law. He holds a Bachelor's Degree cum laude in Philosophy and Mathematics from Harvard College. He also has extensive experience in sustainable farming and green business in Central America.

Jonathan C. Lewis
CEO, MicroCredit Enterprises

Jonathan C. Lewis has served since 2004 as the board chair and chief executive officer of MicroCredit Enterprises. After retiring from business in 2001, he has devoted his time on a pro bono basis to global poverty issues. MicroCredit Enterprises, which he founded and which he proudly notes is entirely open source, is an innovative, not-for-profit venture which leverages private capital to make business loans to deeply impoverished people, mostly women, in developing countries. The MicroCredit Enterprises model takes advantage of economic guarantees in the developed world to provide capital for microcredit.

Previously, Jonathan was founder and President of the Academy for International Health Studies, a policy and networking business organization and also founded the International Summit on Public-Private Health Sector Partnerships. He has served as the Chief Executive Officer of the California Association of Health Maintenance Organizations, Chief Budget Advisor to the President of the California State Senate, Member of the Cabinet of the California Superintendent of Public Instruction and Chief of Staff for three California commissions in the fields of health, education and tax policy. He was the founding Chair of Freedom from Hunger's distinguished Ambassadors Council.

Jonathan is also currently a Member of the Advisory Boards of the Global Microcredit Campaign, the International Center for Corporate Accountability and numerous social entrepreneurial companies. He has also been the founder/owner of a public policy consulting firm, a real estate investment company, public interest citizens' group (tax reform) and contemporary art gallery. He is a graduate of the University of California, Davis, in Applied Behavioral Sciences.

Mindy S. Lubber
President, CERES

Ms. Lubber is the President of CERES, the leading U.S. coalition of investors and environmental leaders working to improve corporate environmental, social and governance practices. She also directs the Investor Network on Climate Risk (INCR), an alliance that coordinates U.S. investor responses to the financial risks and opportunities posed by climate change.

INCR activities include organizing the Institutional Investor Summit on Climate Risk at the UN Headquarters, hosting fiduciary training programs for pension fund trustees, producing research reports to improve investor understanding of climate risk, and coordinating engagement of its members with companies, money management firms, and policy makers.

Ms. Lubber has held leadership positions in government as the Regional Administrator of the U.S. Environmental Protection Agency; in the financial services sector as Founder, President and CEO of Green Century Capital Management, an investment firm managing environmentally screened mutual funds; in the private sector as the President of an environmental law and policy consulting group; and in the not-for-profit sector for more than a decade leading environmental and public interest law organizations, including the National Environmental Law Center, which she founded. She was the Senior Advisor and Communications Director to former Governor Michael Dukakis, and for a decade, held leadership positions with the Massachusetts Public Interest Research Group (MASSPIRG), including Chairwoman of the Board of Directors.

Ms. Lubber holds a Master's Degree in Business Administration.

Rick Luftglass
Senior Director, Philanthropy, Pfizer Inc;
Executive Director, The Pfizer Foundation

Rick Luftglass is Senior Director of Philanthropy at Pfizer Inc, the research-based global pharmaceutical company headquartered in New York. He also serves as Executive Director of the Pfizer Foundation, a charitable organization established by the company.

Rick also represents Pfizer and is personally involved in community and professional organizations. He is a member of the Conference Board's Contributions Council and the Council on Foundation's Corporate Advisory Council. He is a past member of the Board of Directors of the New York Regional Association of Grantmakers and past Chair of the Contributions Advisory Group, an association of corporate contributions professionals in New York City. He also serves as President of the Board of the Center for Traditional Music and Dance, which works to conserve, present and sustain cultural traditions in immigrant communities in New York City.

Rick joined Pfizer in 1993. He has an M.B.A. from Stanford University's Graduate School of Business, where he specialized in corporate public affairs, philanthropy, and public/private/nonprofit cross-sector issues, and a B.A. in history from Haverford College. Prior to joining Pfizer, he worked in nonprofit management for cultural organizations in New York City.

Ira C. Magaziner
Chairman, Policy Board, HIV/AIDS Initiative, Clinton Climate Initiative
The William J. Clinton Foundation

Ira C. Magaziner currently serves as chairman of the William J. Clinton Foundation policy board and as chairman of the Clinton Foundation HIV/AIDS Initiative and the Clinton Climate Initiative. He is also a board member of the Clinton-Hunter Development Initiative and of the Alliance for a Healthier Generation, a joint venture between the William J. Clinton Foundation and the American Heart Association. Mr. Magaziner is also the President of SJS Inc., a corporate strategy consulting firm.

From January 1993 through December 1998, Mr. Magaziner served as Senior Advisor to President Clinton for Policy Development at the White House. In this capacity, he supervised the development and implementation of the administration's policy for commercialization of the Internet. Mr. Magaziner also worked with First Lady Hillary Rodham Clinton on the development of the President's Health Reform Initiative. He also chaired a joint National Economic Council/National Security Council Initiative to increase US exports and served as a member of the National Domestic Policy Council.

Prior to his White House appointment, Mr. Magaziner earned respect as one of the most successful corporate strategists, building two successful corporate strategy

consulting firms. His clients included the chairmen and CEO's of leading corporations in the United States, Europe, Japan and Australia. He also assisted governments in Sweden, Ireland, Canada and elsewhere in the development of their long-term economic development strategies. Prior to forming his own companies, he worked in Boston, London and Tokyo for the Boston Consulting Group.

Mr. Magaziner also served as co-chairman of the National Commission on Skills of the American Workforce, co-authoring the landmark report "America's Choice - High Skills or Low Wages." He has co-authored two books, one with former Labor Secretary Robert Reich called *Minding America's Business* and the other with journalist Mark Patinkin called *The Silent War; Inside the Global Business Battles Shaping America's Future*.

Mr. Magaziner graduated in 1969 as valedictorian from Brown University and attended Balliol College, Oxford as a Rhodes Scholar. He has received numerous honorary doctorate degrees, and has served on the boards of numerous charitable and educational organizations nationally and in his home state of Rhode Island.

Jim Marston

Director, Energy Program, Environmental Defense

Jim Marston is the founding Director of Environmental Defense's Texas office, located in Austin, where he has served since its beginnings in 1987. The office is comprised of scientists, attorneys, economists and policy analysts who address environmental issues related to climate and air, ecosystems, oceans, and environmental health. Mr. Marston holds the position of State Climate Initiatives Director, working in states from California to New England that are initiating legislation and regulation to reduce the emission of global warming gases. He has worked closely with California on the passage of AB 32, the first statewide carbon cap legislation that includes all sectors of the economy. His Austin office includes a staff of 27.

Mr. Marston is president of the Texas League of Conservation Voters, and he currently serves on the board of directors of Texas Observer, Texas Environmental Research Consortium, the Green-e Governance Board, and the Central Texas Clean Air Force. He is the former chair of the U.S. Good Neighbor Environmental Board, Presidential Advisory Committee and served as Vice-Chairman of the Texas Ethics Commission from 1992 to 1994. He has served on numerous advisory boards for the State of Texas, the City of Austin, electric utilities, and a university.

Bruce McNamer

President and CEO, TechnoServe

Bruce McNamer is the U.S.-based nonprofit that helps entrepreneurial men and women in poor rural areas of the developing world build businesses that create income, opportunity and economic growth for their families, their communities and their countries.

Before joining TechnoServe in 2004, McNamer's career spanned the public and private sectors. McNamer was COO of Verified Identity Pass, Inc., CFO of Affluent Technology, and VP of Business Development at Varsity Group. He has also worked as an investment banker at Morgan Stanley and as a management consultant at McKinsey & Company. McNamer was a White House Fellow and a Director at the National Economic Council from 1998-1999, and was a Peace Corps Volunteer in Paraguay. He is a member of the SIPA Advisory Board at Columbia University. He has a bachelor's degree from Harvard University and both a law degree and Master's in Business Administration from Stanford University.

Ali A. Mufuruki

Chairman & CEO, Infotech Investment Group LTD

Mr. Ali Mufuruki is the Executive Chairman of InfoTech Investment Group LTD, based in Dar es Salaam, Tanzania. The family owned Infotech Investment Group Limited has controlling interests in M&M Communications Limited, a leading advertising agency in Tanzania, Infotech Computers Limited, an IT and Telecoms Services Company, W-Stores Co LTD, the operator of the WOOLWORTHS franchise in Tanzania and Uganda and IIG Retail LTD, the operator of the Levi's franchise in Tanzania.

Mr. Mufuruki graduated with a bachelor's degree in mechanical engineering design from The Fachhochschule for Technology and Economics in Reutlingen, Germany. He previously worked for Daimler-Benz (now DaimlerChrysler) in Germany as an engineer in the planning division. He was also head of mechanical engineering design at National Engineering Co. Ltd, based in Dar es Salaam before retiring to start Infotech Computers Ltd in 1989.

Mr. Mufuruki is currently the Lead CEO of the Tanzania CEOs' Roundtable that brings together CEOs of the top 50 companies in Tanzania, and is Chairman of the national carrier—Air Tanzania Company Limited. He is also the Chairman of Mwananchi Communications Limited, the publishers of leading Kiswahili and English daily newspapers in Tanzania (Mwananchi and The Citizen).

Mr. Mufuruki also sits on the boards of Nairobi, Kenya-based Nation Media Group LTD, Tourism Promotion Services East Africa also of Kenya, Stanbic Bank Tanzania LTD and is a trustee of Social Action Trust Fund, a USAID funded non-profit organization that supports children made vulnerable by HIV Aids. He is a member of the Presidential Investors Roundtable (IIRT) that advises the President of Tanzania on a wide range of economic policy issues.

He is a Henry Crown Fellow of the Aspen Institute and Chairman of the Africa Leadership Initiative (ALI), East Africa.

Mary Anne Müller

Executive Director, Fundación Origen

Mary Anne is a social entrepreneur dedicated to education for integral transformation, and she is the Founder and Executive Director of Fundación Origen and Escuela Agroecológica de Pirque. Fundación Origen, on the outskirts of Santiago, Chile, is an innovative institution dedicated to educating at-risk adolescents and improving their futures by fostering the community's stability and living standards. Its high school, Escuela Agroecológica de Pirque (EAP), addresses the academic and personal development of the youths, 80 percent of whom live below the poverty line and in many cases are orphaned, abandoned, teen-age mothers, delinquent or recovering from substance abuse.

Ms. Müller is an environmental and peace activist, and has received numerous awards for her work. She is an Ashoka fellow and an AVINA fellow, and she is fluent in Spanish, French, and English.

Craig Nakagawa

Acting President, VillageReach

Craig began his career in global health and economic development at the investment bank Lehman Brothers, where he was a member of the firm's global pharmaceuticals practice. From Lehman Brothers in Tokyo, Craig focused primarily on Japanese pharmaceutical companies, but also covered drug, food, and nutrition companies throughout Asia. Craig's investment banking experience centered on fundamental company analysis, corporate finance and derivative finance.

In 1999, Craig joined Teledesic, a global satellite venture started by Craig McCaw and Bill Gates, to bridge the digital divide by enabling broadband communications anywhere in the world. Beyond his daytime duties of strategy and corporate development at Teledesic, Craig helped his colleague Blaise Judja-Sato with his vision of bringing essential health services to the poor in Africa and beyond. Blaise later founded VillageReach in 2000, and Craig joined him in 2001.

As VillageReach's Acting President, Craig has grown the organization from a venture of two people in Seattle to an organization of 40 with five offices in two countries. Craig has an MBA from the University of Chicago and a BA from the Jackson School of International Studies at the University of Washington.

Reemaben Nanavaty

Director, Economic and Rural Development, Self Employed Women's Association (SEWA)

Having succeeded in joining the coveted Indian Administrative Services, Reema stepped out for a year to come and directly work with the poor women members of the Self Employed Women's Association (SEWA). As a manager, she developed the regional rural water supply scheme of Government of Gujarat and SEWA into an integrated water project, and made women central to water decisions. She stayed on with SEWA and expanded the project into an ongoing Women, Water and Work campaign of 100,000 women.

Since being elected by 284,000 members of SEWA as their General Secretary in the year 1999, Reema has expanded SEWA membership to new heights of 530,000 making SEWA the single largest union of informal sector workers in India. She currently manages six million dollars of economic activities of SEWA through a federation of 100 cooperatives, nine district associations of artisans, salt farmers, and forestry workers, and a direct outlet of 12,000 artisans.

Currently Reema is busy expanding the activities of SEWA's Trade Facilitation Centre—a SEWA and IFC partnership—into Global Grassroots Entrepreneurs Trading Network, a global network of initiatives and individuals aiming at making women's voice and contribution central to world trade decisions. The main objective of STFC is to build capacity of 15000 artisans to ensure livelihood security. STFC facilitates this by providing a whole range of business development inputs ranging from market readiness, market linkages, market intelligence, product development, quality standardization, R & D, Information systems, access to capital, state of the art technology, to its member-producers to help them become market ready.

Lastly Reema oversees the Economic and Rural Development efforts of SEWA, which has nine member's own economic organizations, the District federations, 13,000 member strong producer groups, Self Help Groups, cooperatives, two state and national marketing organisations, all with a total of 349,000 members and a turnover of five million.

Jacqueline Novogratz

Founder and CEO, Acumen Fund

Jacqueline is the founder and CEO of Acumen Fund, a non-profit global venture fund demonstrating that small amounts of philanthropic capital, combined with large doses of business acumen, can build thriving enterprises that serve the poor. Acumen Fund currently manages \$20 million in investments in South Asia and Eastern/Southern Africa, all focused on delivering affordable healthcare, water and housing to the poor. The organization also includes the Acumen Fund Fellows program, focused on building the next generation of business leaders with an understanding of global issues and poverty. The organization has offices in New York, Pakistan, India and Kenya.

Prior to Acumen Fund, Jacqueline founded and directed The Philanthropy Workshop and The Next Generation Leadership program at the Rockefeller Foundation. She also founded Duterimbere, a micro-finance institution in Rwanda.

She began her career in international banking with Chase Manhattan Bank. She is currently on the advisory boards of Stanford Graduate School of Business and of Innovations Journal published by MIT Press. She is an Aspen Institute Henry Crown fellow and a Synergos Institute Senior Fellow. She is a frequent speaker at international conferences, including the World Economic Forum, the Clinton Global Initiative and TED. She has a Master's Degree in Business Administration from Stanford and a Bachelor's Degree in Economics/International Relations from the University of Virginia. She speaks Spanish and French and has a working knowledge of Swahili.

Jean Oelwang
Managing Director, Virgin Unite

Jean's career has spanned both the corporate and social sector, driven by a strong desire to look at ways that the two can work together to create positive social and environmental change. On the corporate side, she has worked for many years in the telecommunications industry, mainly in the field of marketing and general management, to help start up new companies in countries such as the U.S., the UK, Bulgaria, Colombia, South Africa, Singapore, Hong Kong and Australia. On the social/environmental side, she has worked mainly with underprivileged young people, social entrepreneurs and the environment in a range of countries.

In her current role, she is heading up Virgin Unite, the independent charitable arm of the Virgin Group, focusing on entrepreneurial approaches to social and environmental issues. Unite works with on-the-ground social entrepreneurs, all the Virgin businesses, and other partners to leverage the Group's resources to drive business-focused solutions to issues.

Unite focuses on three core areas: Good Investments, Unleashing Entrepreneurs and Connecting People.

Jan-Peter Onstwedder
Project Director, The London Accord, BP

Jan-Peter Onstwedder is the Project Director for The London Accord, a co-operative research project which aims to incorporate climate change into the rigorous financial decision making analysis that drives investment decisions. This project will use specific investment banking research reports to draw out current thinking and approaches that can be applied by decision makers in companies and by investors.

From 2001 to 2006, Jan-Peter was the Head of Risk Management for the Integrated Supply & Trading division of BP plc. In this capacity he was responsible for the management of market, credit and operational risk in BP's global supply and trading business.

From 1995 to 2000, he was the Head of Group Market Risk for The Royal Bank of Scotland, a member of the Corporate Banking credit committee, and was actively involved in the banking industry's consultation with the Basel Committee for the market risk amendment and the initial phases of Basel II.

Between 1988 and 1995 Jan-Peter was the Financial Risk Management Director at Barclays Bank in New York and London, and also held other various roles in risk management and trading support. Prior to that, he was the manager of Global Electronic Markets at Citibank in New York. He holds an MBA from Kellogg at Northwestern University, Chicago and an MSc in mechanical engineering from Delft University of Technology in The Netherlands.

Sally Osberg

President and CEO, Skoll Foundation

Sally joined the Skoll Foundation as its first president and CEO in 2001. In partnership with the foundation's founder and chairman, Jeff Skoll, she leads the organization's entrepreneurial team in advancing systemic change to benefit communities around the world by investing in, connecting with, and celebrating social entrepreneurs. Sally has more than 20 years of social sector leadership, with special expertise in organizational development, strategic positioning and innovative public programming.

Prior to joining the Skoll Foundation, Sally was Executive Director of the Children's Discovery Museum of San Jose, which she guided from its inception to national recognition. The museum received the National Award for Museum Service from the White House in 2001.

Sally has served as a member of the board and as President of the Association of Youth Museums, on the board of the American Association of Museums, and on both the Silicon Valley chapter and national boards of the American Leadership Forum, among others. Currently, she sits on the boards of the Oracle Education Foundation, the Children's Discovery Museum and on the advisory board of the John Gardner Center for Youth and Their Communities.

Sally earned her Master's Degree in Literature from the Claremont Graduate School and her Bachelor's Degree in English from Scripps College, where she was elected to Phi Beta Kappa. In 1998, she received the John Gardner Leadership Award from the American Leadership Forum, and in 1999 the San Jose Mercury News named her as one of the "Millennium 100," recognizing her as one of the key individuals who have shaped and led Silicon Valley.

Larry Page

Co-Founder and President, Products, Google

Larry Page was Google's founding CEO and grew the company to more than 200 employees and profitability before moving into his role as President, Products in April 2001. He continues to share responsibility for Google's day-to-day operations with Eric Schmidt and Sergey Brin.

The son of Michigan State University computer science professor Dr. Carl Victor Page, Larry's love of computers began at age six. While following in his father's footsteps in academics, he became an honors graduate from the University of Michigan, where he earned a bachelor of science degree in engineering, with a concentration in computer engineering. During his time in Ann Arbor, Larry built an inkjet printer out of Lego™ bricks.

While in the Ph.D. program in computer science at Stanford University, Larry met Sergey Brin and together they developed and ran Google, which began operating in 1998. Larry went on leave from Stanford after earning his master's degree.

In 2002, Larry was named a World Economic Forum Global Leader for Tomorrow. He is a member of the National Advisory Committee (NAC) of the University of Michigan College of Engineering, and together with Co-Founder Sergey Brin, Larry was honored with the Marconi Prize in 2004. He is a trustee on the board of the X PRIZE, and was elected to the National Academy of Engineering in 2004.

Billy Parish

Co-Founder and Coordinator, Energy Action Coalition

Billy Parish maintains that global warming is a call to arms for his generation because “we are the ones who will have to deal with its growing consequences.” In his efforts to develop sustainable energy policies for the United States and Canada, Billy has brought together more than 40 youth-led organizations into a joint campaign called The Campus Climate Challenge. The Challenge is focused on making schools the models of sustainability for the rest of society and empowering young people to be at the forefront of the growing movement to end our reliance on fossil fuels and address global warming. With student groups at more than 525 schools participating, The Challenge has already helped pass more than 150 campus climate policies and engage over 500,000 students in climate-focused events and activities on their campus.

Billy was a 2004 Brower Youth Award winner, a 2005 Rolling Stone magazine “Climate Hero,” and Mother Jones magazine’s 2006 “Student Activist of the Year.” A co-author of the report “New Energy for Campuses,” a guide for colleges and universities on how to cost-effectively cut their greenhouse gas emissions, Billy works to train students and equip them with the tools they need to implement local climate solutions. Billy has taken four years off from Yale, where he was co-chair of the Yale Student Environmental Coalition and was majoring in Ethics, Politics & Economics.

Iqbal Paroo

CEO, Omidyar Network

Iqbal Paroo has long committed his energy, passion and intellect to making good things happen. His career includes domestic and international leadership in complex healthcare delivery organizations, academic institutions, the social sector, technology companies and venture-funded startups.

Iqbal joined Omidyar Network as president and CEO of the Omidyar Foundation in April 2002. Previously, Iqbal specialized in turnaround, change and transition management for venture-funded companies and academic healthcare centers as president of IFP and Associates. Prior to IFP, he was founder and CEO of Qualitas Healthcare International, a venture-funded company that was formed to develop, own and manage health care facilities and systems in emerging economies and transforming markets.

From 1987 to 1993, Iqbal was president of Hahnemann University in Philadelphia. Prior to Hahnemann, he was CFO of a number of hospitals in the Hospital Corporation of America (HCA) system. From 1977-1980, he served the Aga Khan Foundation as both director of commissioning for the initial phase of the Aga Khan University in Karachi, Pakistan, and as an operational and planning consultant for healthcare facilities funded by the Foundation in Asia and Africa. He later served on the Board of the Aga Khan Foundation-USA from 1993 to 2000.

Born in Nairobi, Kenya, Iqbal’s diverse background has allowed him to develop a global network that enhances his ability and commitment to make a difference.

Alan Patricof

Founder and Managing Director, Greycroft LLC

Alan Patricof is the Founder and Managing Director of Greycroft LLC. A longtime innovator and advocate for venture capital, Mr. Patricof entered the industry in its formative days with the creation of Patricof & Co. Ventures Inc., which was a predecessor to Apax Partners, Inc., of which he was Founder and Chairman. This led to his formation of Greycroft Partners, a new venture capital firm focused on the digital media sector, in 2006.

During the past 40 years, Mr. Patricof has participated in the financing and development of a large number of both public and private companies. Companies that he has been involved with at the initial stages include Apple Computer, America Online, Cadence Systems, Office Depot, FORE Systems, and Audible, Inc. Mr. Patricof has served as an advisor to the International Finance Corporation (IFC), focusing small and medium-sized enterprises (SME's), and has served on the UNDP Commission on Private Sector Development. He was also Vice Chairman of the Commission on Increasing Capital Flows to Africa. He has written several articles and Op-Eds on the subject of SME's in the developing world. From 1993 to 1995, he served as Chairman of the White House Conference on Small Business Administration. Mr. Patricof holds a BS in Finance from Ohio State University and an MBA from Columbia University Graduate School of Business.

Jonathan Pershing

Program Director, Climate & Energy, World Resources Institute

Dr. Jonathan Pershing is the Director of the Climate, Energy and Pollution Program at the World Resources Institute. He and his group are active in work on domestic and international climate and energy issues, including emissions trading, energy technology and the evolving architecture of domestic and international climate policy. In the U.S., he has worked at both the state and federal level, serving as the facilitator for the negotiation of the Northeast states' emissions trading initiative (RGGI), on the Market Advisory Committee for California, as chair of the multi-state emissions registry design effort, testifying before the U.S. Senate on climate policy, and providing input to the design of the U.S. Administration climate programs to officials in the White House, U.S. EPA and the U.S. Department of Energy. In addition, he has served as an advisor to U.S. and multinational companies on the design of business strategies for climate change. Internationally, he has provided regular input to the U.N. Climate Convention (UNFCCC) and its Kyoto Protocol, the U.N. Commission on Sustainable Development (UNCSD), the G8, as well as working on specific climate and energy policy initiatives in Brazil, China, Europe, India, Japan, South Africa and a host of other countries.

Prior to his move to WRI, he was Head of the Energy and Environment Division at the International Energy Agency in Paris. During his tenure at the IEA, he served as the agency representative to the negotiations at the UNFCCC and the UNCSD. From 1990 - 1998, Dr Pershing served in the U.S. Department of State, where he was Deputy Director and Science Advisor for the Office of Global Change.

Dr. Pershing is the author of several books and numerous articles on climate change, energy, and environmental policy and has served as a Review Editor and Lead Author for the Intergovernmental Panel on Climate Change (IPCC). In addition to lectures around the world, he has taught at American University and the University of Minnesota, and worked in Alaska as a petroleum and mining geologist. Dr. Pershing holds a Ph.D. in Geology and Geophysics from the University of Minnesota.

Jan Piercy

Executive Vice President, ShoreBank Corporation

Jan Piercy is Executive Vice President of ShoreBank Corporation, the first and largest community development financial institution in the U.S. She led capital raising for ShoreCap International, a company ShoreBank launched in 2004 with an international set of shareholders to invest in local financial institutions doing small business lending or microfinance in Africa, Asia, and Eastern Europe. Previously, Jan served as U.S. Executive Director on the Board of the World Bank, and she received the U.S.

Treasury Medal of Honor in 2001 for her work in international economic development during the Clinton Administration. Jan is on the Advisory Council of the Acumen Fund and the boards of Vital Voices and Women Advancing Microfinance, and she is a member of the Council on Foreign Relations.

Lynn Pikhholz
President, ShoreCap Exchange

Lynn Pikhholz is President of ShoreCap Exchange, a non-profit capacity building company sponsored by ShoreBank Corporation in late 2003. ShoreCap Exchange works to strengthen microfinance institutions and small business banks primarily in Africa and Asia. In addition to on-site technical assistance, Exchange runs a series of peer learning forums for bank CEOs, lenders and human resource managers to address major concerns, strategies and tools that these fast growing financial institutions face. Exchange works in tandem with ShoreCap International, a \$28.3million investment company.

Ms. Pikhholz, a South Africa national, was formerly a Managing Director of ShoreBank International Limited, ShoreBank's consulting company. Before coming to the US to study International Development and Poverty Alleviation at MIT in 1994, Lynn worked for First National Bank (formerly Barclays), The Urban Foundation (a leading economic development agency) and The National Housing Forum in South Africa, as well as for the first democratic election in the country.

Peter Piot
Executive Director, UNAIDS

Dr. Peter Piot is the Executive Director of UNAIDS and Under Secretary-General of the United Nations. Dr. Piot comes from a distinguished academic and scientific career focusing on AIDS and women's health in the developing world. Using his skills as a scientist, manager and activist, Dr. Piot has challenged world leaders to vision AIDS within the realms of social and economic development as well as security. Under his leadership, UNAIDS has become the chief advocate for worldwide action against AIDS. It has brought together ten organizations of the United Nations system around a common agenda on AIDS, spearheading U.N. reform.

Dr. Piot earned a medical degree from the University of Ghent, and a doctorate in Microbiology from the University of Antwerp, Belgium. He was a Senior Fellow at the University of Washington in Seattle. After graduating from medical school, Dr. Piot co-discovered the Ebola virus in Zaire in 1976.

In the 1980s Dr. Piot launched and expanded a series of collaborative projects in Africa. Project SIDA in Kinshasa, Zaire, was the first international project on AIDS in Africa and is widely acknowledged as having provided the foundations of our understanding of HIV infection in Africa. He was a professor of microbiology and of public health at the Institute of Tropical Medicine, in Antwerp, and the Universities of Nairobi, Brussels and Lausanne. In 1992, Dr. Piot joined the Global Programme on AIDS of the World Health Organization, in Geneva, as Associate Director.

Born in Belgium, Dr. Piot is fluent in three languages and is the author of many books and scientific articles. He has received numerous awards for scientific and societal achievement, and was knighted as a Baron by King Albert II of Belgium in 1995. He is a member of the Institute of Medicine of the National Academy of Sciences of the United States and the Royal Academy of Medicine of Belgium, and is a Fellow of the Royal College of Physicians of London, UK.

Laurene Powell Jobs

Co-Founder and President of the Board, College Track

Laurene Powell Jobs is co-founder and President of the Board of College Track, an after-school program providing comprehensive support to high school students who have the desire but lack the resources to attain higher education. College Track provides daily academic support, leadership training, community service and extra-curricular involvement. Since its inception in 1997, the organization has served more than 400 students in East Palo Alto and Oakland. All College Track graduates have been accepted to college.

Prior to College Track, Ms. Powell co-founded Terravera, a natural foods company that manufactured and delivered organic products to more than 300 retailers daily throughout Northern California. Additionally she served on the Board of Directors of Achieva, an award-winning educational company that specialized in online tools to help students improve study skills and standardized test performance. Prior to business school, Ms. Powell worked for Merrill Lynch Asset Management and spent three years at Goldman Sachs as a fixed income trading strategist.

Ms. Powell then turned her attention to non-profit entrepreneurship, with a particular focus on education and women's human rights. Currently, her board and advisory affiliations include: Board of Directors: Global Fund for Women; Northern California Public Broadcasting (KQED); EdVoice; NewSchools Venture Fund; New America Foundation; Stanford Schools Corporation; Advisory Board, Center for Community Partnerships at the University of Pennsylvania and Stanford Graduate School of Business.

Ms. Powell holds both a Bachelor of Art and a Bachelor of Science degree in Engineering from the University of Pennsylvania and a Master's Degree in Business Administration from Stanford.

Adherbal de Almeida Regis

Executive Director, Pangea Centro de Estudos Socioambientais

Adherbal is currently one of the directors of Pangea Centro de Estudos Sociambientais, a Brazilian non-profit organization. The mission of PANGEA is to contribute for the construction of a sustainable society, identifying, proposing and implementing integrated solutions for social, economic and environmental problems. The organization focuses on structuring economic enterprises for marginalized sectors, with a particular focus on waste recycling and street collectors. Some of the projects that Adherbal is currently working on include a cooperative of recyclable materials pickers, a network of 10 such cooperatives, and a social movement lending technical assistance and representing the individuals in these cooperatives.

Adherbal received a Bachelor's Degree in Business Administration from Universidade Salvador, a degree in Law from Universidade Católica do Salvador, and specialization in Strategic Management and Managing Organizational Change from Harvard University.

Walter Reid

Director, Conservation and Science, David and Lucile Packard Foundation

Dr. Walter Reid is the Director of the Conservation and Science Program at the David and Lucile Packard Foundation. Previously, he was a Consulting Professor with the Institute for the Environment at Stanford University. Dr. Reid was responsible for the creation of the Millennium Ecosystem Assessment, which he directed from 1998 until the release of the findings in March 2005. Between 1998 and 2000, Dr. Reid coordinated the Puget Sound Salmon Collaboration, a group of Washington State environmental and business leaders chaired by William Ruckelshaus that recommended actions to help recover threatened salmon species.

From 1992 to 1998, Dr. Reid was Vice President of the World Resources Institute in Washington, D.C. From 1988 to 1992 he was a Senior Associate at WRI where he undertook scientific and policy research in WRI's Program in Forests and Biodiversity. Prior to that, he was a Gilbert White Fellow at Resources for the Future and he has also worked for the California Department of Fish and Game and the U.S. Forest Service. He is a member of the Board of Editors of Ecological Applications, Ecosystems, and PLOS-Biology, a member of the International Advisory Board of Frontiers in Ecology and Environment, and a past member of the Board of the Society for Conservation Biology. He has published 87 papers and five books. Dr. Reid earned his doctorate in Zoology (Ecology and Evolutionary Biology) from the University of Washington in 1987 and his Bachelor's Degree in Zoology from the University of California, Berkeley in 1978.

Jorge Roca

Board Member, Corporación para el Desarrollo Comunitario

Mr. Roca is on the board of Corporacion de Desarrollo Comunitario, which aims to channel business resources into the social sector with the goal of creating quality jobs.

Mr. Roca received his Bachelor's Degree in Business Economics from Brown University, and his Master's Degree in Business Administration from Harvard; he also has a degree from Colegio Alemán Humboldt, in Ecuador.

He currently serves on the board of Consenco Cuenca, a family holding company with a foundation that gives medical care to women and children. Mr. Roca also serves on the boards of Aglomerados Cotopaxi, and Fundacion Esquel, in Ecuador. He is the founder and Chairman of the School Board of Colegio Aleman Stiehle de Cuenca, which is the youngest German School in the world and is considered a model for its innovative sustainability.

Mr. Roca is also a writer and Editorial Board Member of the weekly business journal El Financiero, in Ecuador. He is an AVINA partner, and fluent in Spanish, German and English.

Judith Rodin

President, The Rockefeller Foundation

Judith Rodin has served as president of the Rockefeller Foundation since March 2005. Trained as a research psychologist, Dr. Rodin was previously the president of the University of Pennsylvania, and earlier the provost of Yale University.

The Rockefeller Foundation was established in 1913 by John D. Rockefeller, Sr. to "promote the well-being" of humanity by addressing the root causes of serious problems. The Foundation works globally to expand opportunities for poor and vulnerable people and to help ensure that the benefits of globalization are shared more equitably.

Judith Rodin was born and raised in Philadelphia, Pennsylvania. She graduated from the University of Pennsylvania, and received her doctorate from Columbia University. A pioneer in the behavioral medicine movement, she taught at New York University before embarking on 22 years on the faculty at Yale, where she ultimately held appointments in both the School of Arts and Sciences and the School of Medicine. Named president at Penn in 1994, she was the first woman to serve as president of an Ivy League institution.

Dr. Rodin serves on a number of leading non-profit boards, as well as on the boards of AMR Corporation, Citigroup, and Comcast Corporation. She is the author of more than 200 academic articles and chapters and has written or co-written eleven books. She served on President Clinton's Committee of Advisors on Science and Technology.

A member of a number of leading academic societies, including the Institute of Medicine of the National Academy of Sciences, she has received nine honorary doctorate degrees.

Harold Rosen

**Director, Grassroots Business Initiative, International Finance Corporation,
World Bank Group**

In December 2003 Mr. Rosen started and has since led IFC's Grassroots Business Initiative (GBI). GBI aims to strengthen and scale up enterprises that create sustainable economic opportunities for the poor and marginalized. Grassroots Business Organizations are double bottom line business ventures, whether for-profit or not-for-profit, which empower and engage those at the "base of the pyramid" as entrepreneurs, suppliers, consumers and employees. These businesses provide sustainable income, training and needed products and services to those who need them most.

Mr. Rosen joined the World Bank Group in 1978 through the Young Professional Program. Early assignments included: Investment Officer in IFC's Latin America and Africa Departments; IFC's Manager for Financial Planning and Policy; and Member of the task force starting IFC's operations in the former Soviet Union.

In 1992, Mr. Rosen became a Manager in IFC's Asia Department, covering Southeast Asia and the Pacific. He was instrumental in starting IFC's operations in the Mekong region, including both IFC's investment and technical assistance program, establishing the Mekong Private Sector Development Facility.

In 1997, Mr. Rosen was promoted to Director of Central and Southern Europe Department. He also played a major role in starting IFC's microfinance activities, as well as creating Southeast Europe Enterprise Development (SEED), another of IFC's technical assistance facilities. In March 2000, Mr. Rosen was assigned to start up and head the Small and Medium Enterprise Department (SME), a joint department of IFC and the World Bank. Its mandate was to support expansion of and strengthen the World Bank Group's SME work.

Mr. Rosen holds Bachelor's and Master's Degrees in Regional Science from the University of Pennsylvania, and an MBA from Harvard Business School.

Albina Ruiz Rios

Executive Director, Ciudad Saludable

Ms. Ruiz started worrying about health and environmental problems caused by garbage in Peru when she was an industrial engineering student. Her college thesis was about the implementation of a community-managed system of waste collection that would serve as a model for urban and rural communities in Peru. Ms. Ruiz started doing the work alone nearly 20 years ago. She now oversees projects in 50 cities across Peru, employs more than 180 people and serves over 6 million residents. Her approach to waste management is so successful that she has been asked to come up with a national plan for Peru, while other Latin American countries have expressed interest in emulating her method.

Ciudad Saludable develops efficient solid waste management systems that generate employment and contribute to a better quality of life and cleaner cities. Ms. Ruiz's idea called for micro-entrepreneurs to take charge of collecting and processing the garbage, at once addressing another serious problem in the community: unemployment. She helped these businesses get started and set the monthly fee for the waste collection service at about US \$1.50, the cost of a beer, and came up with a wide array of creative marketing schemes to entice families to use the services and, most importantly, pay for them regularly and on time.

By generating income for local residents and involving them in the process of improving their neighborhood, Ruiz has succeeded in obtaining pay rates of up to 98 percent, compared to government collection pay rates as low as 40 percent. In addition to solving the garbage problem, the micro-enterprise model provides self-employment opportunities to local residents in neighborhoods where unemployment rates are high. The small businesses are often run by women who go door to door collecting garbage and service fees, and educating people about respecting and protecting the environment. Some women have even built profitable businesses by creating products like organic fertilizer out of the trash collected.

Ruiz's simple idea has become a successful business and community-organizing model that benefits large numbers of people and has worldwide potential. Ruiz says that where most people see a problem, she sees a possibility. Her ultimate goal is to change the way people think.

Sheryl Sandberg
Vice President, Global Online Sales and Operations, Google

Sheryl joined Google in 2001 and is currently the Vice President of Global Online Sales and Operations. In this role, Sheryl is responsible for sales of advertising and publishing products to the majority of Google's customers worldwide. She also runs sales operations for Google's consumer products and scanning operations for Google Book Search. In addition, Sheryl serves on the board of Google.org/the Google Foundation and directs the Google Grants program, which has provided more than \$100 million in free advertising to non-profit organizations.

Prior to joining Google, Sheryl was the Chief of Staff for the United States Treasury Department, where she helped lead its work on forgiving debt in the developing world. Before that, Sheryl was a management consultant with McKinsey & Company and an economist with The World Bank, where she worked on eradicating leprosy in India. Sheryl currently serves on the boards of the ONE Campaign, The Ad Council, Leadership Public Schools, the Bay Area Economic Forum and eHealthInsurance.

Sheryl received a Bachelor's Degree summa cum laude in Economics from Harvard University and was awarded the John H. Williams Prize as the top student in economics. She received a Master's Degree in Business Administration with highest distinction from the Harvard Business School, where she was a Baker Scholar and Ford Scholar.

Jo' Schwenke
Managing Director, Business Partners Ltd

Jo' Schwenke is the Managing Director of Business Partners Ltd, South Africa's leading investor of capital, skill, and knowledge into small and medium enterprises. He's worked in small business financing and support for more than 20 years and is the founding Chairman of the Southern African Venture Capital and Private Equity Association. Jo' often addresses conferences in South Africa and beyond on Business Partners' unique approach to small and medium business financing, entrepreneurship, and small and medium enterprise development. Jo' was educated at the Universities of the Witwatersrand and South Africa, is a Chartered Accountant, and has degrees in commerce and law. Jo' is a keen cyclist and enjoys wine tasting. He is married with three children.

Business Partners Limited was founded in 1981 and is uniquely positioned in the field of development finance, as it is a successful, profitable business, yet delivers a

significant developmental dividend to its shareholders. The express vision for which Business Partners was founded was to: "Be a world-class added-value investor in small and medium enterprises, thereby facilitating wealth creation, job creation and economic development in South Africa." Business Partners fulfills its vision by investing capital, skill and knowledge into viable entrepreneurial enterprises. Business Partners is firmly anchored by its values, which are business and personal integrity, superior client service, the economic merit of all investments, an entrepreneurial attitude by our staff and frugality in all aspects of expenditure.

Since 1981, Business Partners has invested about one billion dollars into 30,230 businesses and has facilitated more than 488,000 employment opportunities.

Ernest C. Shea
President, Natural Resource Solutions, LLC

Ernest Shea is the President of Natural Resource Solutions LLC, a conservation planning and consulting firm that helps clients craft solutions to complex natural resource challenges.

Mr. Shea has more than 25 years of experience at the national, state and local level where he has worked in partnership with government agencies, agricultural and conservation organizations and business leaders to help protect and ensure the orderly development of the nation's natural resources. He held a number of senior leadership positions over the 10 years that he worked for the State of Maryland, including Assistant Secretary of Agriculture for Agricultural Development and Resource Conservation. Among other responsibilities, Mr. Shea served as the senior Department official responsible for a number of service-oriented programs designed to strengthen the state's agricultural industry.

From 1986-2004 Mr. Shea served as Chief Executive Officer of the National Association of Conservation Districts (NACD). He is currently facilitating the 25 x 25 renewable energy initiative through which farmers, ranchers, forest landowners and related stakeholders are working to advance new energy solutions from America's working lands.

Bobby Shriver
CEO, (PRODUCT)RED

Bobby Shriver, co-founder of (PRODUCT)RED and co-founder and Chairman of DATA, has spent the last eight years working to help eliminate the financial and health emergencies threatening the survival of Africa.

His work on debt relief and AIDS treatment and prevention has brought together Republicans and Democrats in Washington, governments from around the world, celebrities, and leading companies in innovative and effective ways.

Robert Sargent Shriver III was born on April 28, 1954, in Chicago. He is the oldest child of R. Sargent Shriver, the first director of the Peace Corps and leader of the War on Poverty programs of the 1960s, and Eunice Kennedy Shriver, founder of the Special Olympics.

After graduating cum laude from Yale College, Shriver began a career as a journalist, working for the Annapolis Evening Capitol in Maryland. From there, he followed a traditional journalist's odyssey, from a news service in Chicago (The City News Bureau) to The Chicago Daily News, and then the Los Angeles Herald Examiner. He left the newspaper business to attend Yale Law School. Upon graduation in 1981, he clerked for Judge Stephen R. Reinhardt at the Federal Court of Appeals for the Ninth Judicial Circuit.

In 1982, Shriver moved to New York to work in the venture capital business where, with former United States Defense Secretary Harold Brown and James D. Wolfensohn, he worked in the venture capital division of the Wolfensohn Firm.

In 1987, Shriver produced the first ever primetime program on the Special Olympics World Games for ABC. That same year, he produced the first "A Very Special Christmas" record. The success of these two projects led him to form Special Olympic Productions as an on-going entity for fundraising through entertainment-related projects.

His projects over the years have raised more than \$100 million in support of Special Olympic organizations around the world.

In 2004, Shriver was elected to the Santa Monica City Council by the largest margin in its 120-year history. Shriver is also a Director of The Crossroads at Antigua Foundation, and Chairman of the California State Parks and Recreation Commission.

Yan Speranza

Executive Director, Fundación Moisés Bertoni

Yan graduated with a Master's Degree in Business Administration in Paraguay, and post-graduates studies in marketing, international trade and sustainable development (USA, Brazil, Japan and Costa Rica). He created his first business at age 17 and turned to the social sector at age 26 founding Junior Achievement programs in Paraguay, the first attempt to systematically promote entrepreneurship inside the educational system.

After 10 years working as a director of JA Paraguay, and having received national and international awards for the program's success, he join Fundación Moisés Bertoni as its Executive Director, motivated with the chance to work more closely with the concept of sustainable development. He is a social entrepreneur who thinks globally and acts locally in his country and region.

Yan also teaches at the university level in Paraguay, and is a board member for a number of businesses associations and non-profit organizations in Paraguay. In the last two years his focus has been in the promotion of business practices based on the triple bottom line, trying to integrate the creation of economic, social and environmental values.

Adalberto Veríssimo

Senior Researcher, Instituto do Homem e Meio Ambiente da Amazônia

Adalberto Veríssimo is a senior research at the Amazon Institute of People and Environment (Imazon). He holds a Master's Degree in Ecology from the Pennsylvania State University and graduate degree in agriculture engineering from the Federal Rural University of the Amazon. During his 18-year career Veríssimo has published more than 80 scientific and technical articles and 20 books on conservation and natural resources management in the Brazilian Amazon. One of those books, *Biodiversity in the Brazilian Amazon*, won the Brazilian Jabuti Prize (best non-fiction book) in 2002.

For the last six years Veríssimo has been very active on the two fronts. First, he has provided strategic support for increasing the amount of protected areas in the Brazilian Amazon. His work has directly helped in the creation of about 25 million hectares of conservation units in the region (five times larger than Costa Rica). One of those areas, Grão-Pará Ecological Reserve created last December, is now the largest tropical reserve in the World with more than 4.2 million hectares (the size of Denmark). Second, he has been very active in reforming forest policy for the Brazilian Amazon as well as promoting sustainable forest management. His ultimate goal is to contribute towards the conservation of 70 percent of the Brazilian Amazon forest

cover. He is a board member of key Brazilian conservation organizations such as Funbio (Brazilian Biodiversity Fund) and ARPA (Brazilian Protected Areas Program) and he has been an AVINA Fellow since 2003.

R. Mugo Wa Karanja
Treasurer, UZIMA Foundation

Mr. Karanja is a member of the Board of Trustees and Treasurer of UZIMA Foundation Africa, a catalytic youth-serving organization focusing on youth empowerment through social, political and economic capacity building aimed at facilitating an improved quality of life. He is also the Current Chairman of the Youth Enterprise Program's micro-credit unit.

Mr. Karanja is also a Member of Board of Trustees and Financial Advisor for the Economic Projects Trust Fund (EPTF), a youth development and support agency providing micro-credit; entrepreneurship training; business development services, market access and promotion of CSR across the country to small- and medium-size organizations.

A Financial Consultant, Mr. Karanja developed his professional accounting career starting with Peat Marwick Mitchell in 1978. He has served as an auditor, financial advisor and IT Manager for KPMG Kenya for more than ten years as well as Regional Accountant for Reuters Africa and Country Manager for The Navigators Kenya before establishing his own Financial Advisory firm.

Mr. Karanja is currently engaged in the promotion of wealth creation programs, projects and activities among the poor in rural and urban settings. He has extensive experience in providing monitoring and evaluation, accounting and consulting services to bi-lateral, grant-making, and not-for profit non-governmental organizations (NGOs).

Mr. Karanja also previously served for more than 12 years as the treasurer of a large multi cultural trans-denominational Christian Church with over 3,000 members in Nairobi, Kenya. He is an Executive Board Member and Treasurer for Association of Evangelicals in Africa (AEA), a pan-African faith based movement with membership in more than 47 countries in Africa.

Jane Wales
President and CEO, World Affairs Council of Northern California
and the Global Philanthropy Forum

Jane Wales is the President & CEO of the World Affairs Council of Northern California; host of the nationally-syndicated National Public Radio interview show "It's Your World"; and Co-founder of the Global Philanthropy Forum (GPF). The GPF is a network of over 600 philanthropists committed to international causes. As part of the GPF's work, since July 2007, Wales has served as Co-Interim Director of The Elders, chaired by Archbishop Desmond Tutu.

Previously, Wales served in the Clinton Administration as Special Assistant to the President and Senior Director of the National Security Council. She simultaneously served as Associate Director of the White House Office of Science and Technology Policy, where her office was responsible both for advancing sustainable economic development, through science and technology cooperation, and for developing policy for securing advanced weapons materials in the former Soviet Union. In the Carter Administration, Wales served as Deputy Assistant Secretary of State and as Coordinator, Public Liaison, at the White House.

In the private sector, Wales chaired the international security programs at the Carnegie Corporation of New York and the W. Alton Jones Foundation, and she directed the Project on World Security at the Rockefeller Brothers Fund. She is the former National Executive Director of the Physicians for Social Responsibility, which shared in the 1985 Nobel Peace Prize during her tenure.

Peter Wheeler

Chairman, IPValue; Trustee, New Philanthropy Capital

Peter Wheeler is the Chairman of IPValue, a leading business services company that partners with major global research oriented technology companies to manage their intellectual property commercialization activity. He co-founded the company in 2001, while working at iFormation Group. Mr. Wheeler is also an investor in and a non-executive director of Climate Change Capital, a specialist investment bank based in London.

Previously, Mr. Wheeler spent fifteen years with Goldman Sachs, both in New York and Hong Kong. He established the firm's Investment Banking business for Asia, outside of Japan, spending considerable time throughout China and South East Asia. He became a partner of the firm in 1994, and returned to the United Kingdom at the end of 1998.

Mr. Wheeler is also the Chairman of Futurebuilders, a UK government fund investing in the voluntary and community sector through capacity building loans, and a founder and trustee of New Philanthropy Capital, a charity that advises donors and funders through a combination of independent research and tailored advice. He is Chairman of Charity Technology Trust, and a Board Member of the Young Foundation. In addition, Mr. Wheeler is a partner in Social-Impact, a new program aiming to develop social entrepreneurs at a grass-roots level in the developing world, which launched its first program in Hyderabad last year.

Timothy E. Wirth

President, United Nations Foundation and Better World Fund

Timothy E. Wirth is the president of the United Nations Foundation and Better World Fund. These organizations were founded in 1998 through a major financial commitment from R.E. Turner to support and strengthen the work of the United Nations.

Mr. Wirth began his political career as a White House Fellow under President Lyndon Johnson, and was Deputy Assistant Secretary for Education in the Nixon Administration. Mr. Wirth then returned to his home state and successfully ran for the U.S. House of Representatives, representing Colorado's 2nd Congressional District from 1975-1987. In 1986, Wirth was elected to the U.S. Senate. Following those two decades of elected politics, Mr. Wirth served in the U.S. Department of State as the first Undersecretary for Global Affairs from 1993 to 1997.

As President of the U.N. Foundation since its inception in early 1998, Wirth has organized and led the formulation of the Foundation's mission and program priorities, which include the environment, women and population, children's health and peace, security, and human rights.

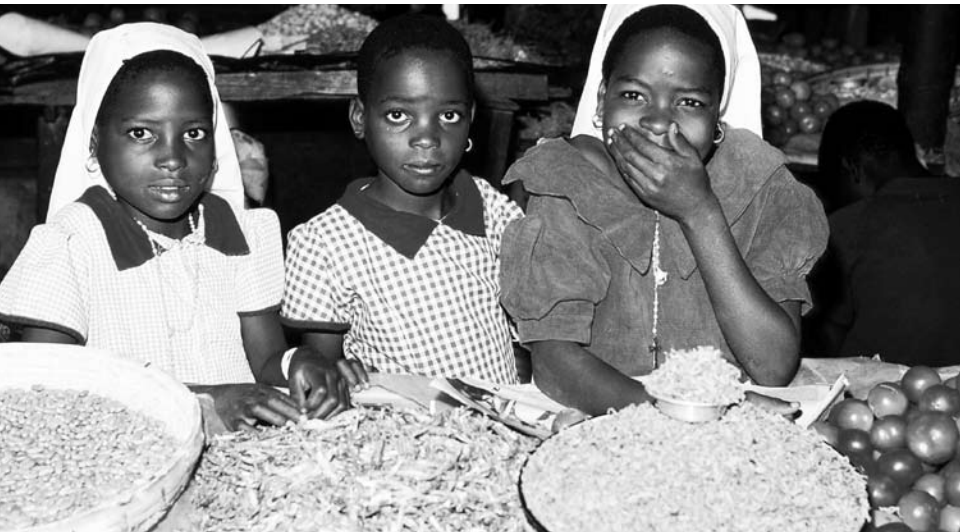
Prior to entering politics, Mr. Wirth was in private business in Colorado. He is a graduate of Harvard College and holds a Ph.D. from Stanford University. The recipient of numerous awards and honorary degrees, he also served as a member of the Harvard Board of Overseers.

Steve Wright

Director of Innovation, Salesforce.com Foundation

Before starting at Salesforce.com/Foundation, Steve worked for 13 years at the intersection of technology and education. He was a high school administrator for two and a half years and a classroom teacher for seven years, beginning in the Peace Corps. In 1990, while teaching at Pasadena High School, he became interested in the confluence of education and technology; specifically, in the role that electronic communication could play to encourage conversation and create introductions between students in underserved communities and the rest of the world. This was before the Internet had pictures, before the Internet became a shopping mall, when the promise of the Internet was human connection, not just the ability to find information, but to provide it. Today, Steve's work concentrates on nonprofit data-management in an effort to maximize our ability to address the world's most intractable problems.

OPENING CONFERENCE REMARKS



THE CHANGING PRACTICE OF PHILANTHROPY

LARRY BRILLIANT, JANE WALES, JUDITH RODIN

WEDNESDAY, APRIL 11, 2007

LARRY BRILLIANT:

Good morning. Welcome everyone. It's going to be hard to stop talking because it's a meeting of so many wonderful people and so many wonderful friends. My name is Larry Brilliant; I'm the executive director of Google.org. I want to welcome you to Google. It is such an honor and a pleasure for us to have you here. We are very young in so many ways—and new to the field of philanthropy—and to have you here as a captive audience for us to learn from means so much to everybody at Google. I really want to tell you how deeply we appreciate your coming to visit us.

I jumped at the chance to invite you when Jane Wales, who is a dear friend, told me that she was looking for a new place for the Global Philanthropy Forum, which rotates every few years between the West and East Coast. We talked about the fact that there had not been a corporate office that had ever hosted the Global Philanthropy Forum and how part of the theme of this meeting will be the *new* philanthropy. And we felt that it would be perfect to have you here at what is really a novel, innovative and very different company. We're so different—that's what attracted me to come here. It was the slogan *Don't Be Evil* that attracted me. I didn't know about the dinosaur then. I didn't know about the space ship, and I certainly had never seen the yellow brick road, which you'll see as you walk from here to lunch.

Google is certainly a very different place—a wonderful place—and I'd like to thank the people at Google who have made this possible for you. Particularly, I want to thank the Google events team, which is Lorin Pollack, Julie Collinson, and Jennifer Shemirani. On the Google.org team, I want to particularly thank Meryl Stone and Tara Canobbio. And that's *Canobbio* as in *Obi-Wan Canobbio*. If you have any Google-related questions or want to know anything, seek them out—or seek out anybody from Google—as it is our job to make you feel welcome.

We're all here because we share an opportunity and a dilemma. We have the best jobs in the world. We're able to see occasionally from our own hands suffering being alleviated, poverty being mitigated; it is a great blessing, the work that we are in. But it's a very difficult job. A year ago, before I came here, at my post-graduate course the last year, with help from Sheryl Sandberg, I don't think I

quite knew how difficult the job of giving away money, investing money, putting money and resources to work, was.

I'm reminded of a story. I lived in India for ten years, so I love Indian stories. It's a story of a saint who comes to Benares. Now, how many of you have been to India? How many of you have been to and know about Benares? I wager there are not very many places in the United States you could go to, ask that question and have that result. Benares is a holy place. It is perhaps the holiest place in India. It's where the Ganges comes, and the burning ghats are there, and it's where people go to die so that they can die in a holy place and be cremated and their ashes spread on the Ganges.

So the story is of a saint who comes to Benares, and he comes with a pocketful of coins—rupees. And the way the burning ghats are established, they're of course down at the equivalent of street level, and there are thousands of steps that go up to the city. The steps are thousands of years old; they go back into antiquity. And people come to Benares to die. As you descend the steps, you walk past people who have come there at the end of their lives. And some are lepers, many are beggars, some are on crutches from polio, some are blind from smallpox, some have one leg, one arm. And as the saint walked down the steps, he said, "How do I decide to whom to give my rupees? Is there an algorithm? Is there a *summum bonum*? An ultimate guiding principle? Do I give one rupee to someone who has one leg, and two rupees to someone who has none? How do I weigh the suffering of blindness versus the suffering of polio?"

So, in a way, while that is a bad example because it's an example about charity—certainly not strategic philanthropy, which we are all engaged in—it is the dilemma that we face. It is what we'll be talking to each other about today. It is our opportunity, our quandary, our calling; it elevates us to a higher and more noble purpose.

And Google is honored to have you here to begin a conversation that I hope will last our lifetimes. And we are here because of one person. We are here because of my dear friend Jane Wales. Jane is the founder of the Global Philanthropy Forum. She is president and CEO of the World Affairs Council of Northern California. She is the impresario who brought us together. I think for each one of us she is our best friend in philanthropy, our guide. It is an honor for me to introduce you now to Jane Wales. Thank you very much.

JANE WALES:

Thank you, Larry, for welcoming us into your place of work, your place of innovation, and for welcoming us into your heart, which is what's most important. In

many ways the story that Larry just told is the perfect metaphor for the Global Philanthropy Forum because that's why it was founded. It was founded to help us move from random acts of charity to a strategic approach to philanthropy. It's an effort to build a community of philanthropists who are all committed to international causes, committed to being strategic, and who want to perpetually learn and to learn from one another. So we've invited you all to join us for yet another year for the purpose of both teaching and learning, and I want to thank you for offering to do both.

For those of you who are new to us, let me say just a word or two about the community that welcomes you. It is a community that represents at least six broad trends in philanthropy, and these are trends that are reflected in the agenda of the next three days.

The first trend is that foundations founded by living benefactors are beginning to match the scale and the scope—and even the impact—of those foundations that were founded as a result of an estate, a trust. These living benefactors are agile, engaged, strategic, global in their outlook and, by and large, they're very much shaped by their private-sector experience.

The second broad trend is that they are willing to take on extremely large problems, hence our focus this year on the three problems of poverty, climate change and global health. These are large problems that we treat as systems, systems that need to be replaced by new systems. So, while each of us may approach one aspect of the problem or another to reflect our comparative advantage, we recognize that these are complex, multidimensional, dynamic systems. We also recognize that while we treat each of these problems in its own right, the interactions among those problems are dynamic, they're nonlinear and they're not completely known to us.

And so the third trend is that there is a deep appreciation among new philanthropists—and among Global Philanthropy Forum members generally—of the role of knowledge, the importance of spreading knowledge and particularly in investing in the generation of new knowledge in the developing world. This is where there is a dearth of independent voices, where there is a dearth of think tanks, where, in general, government tends to dominate the sources of information. Now having said that, while knowledge is valued, Global Philanthropy Forum members feel they know enough to act. In fact, they feel they *must* act.

Therefore the fourth trend is that we define philanthropy quite broadly to allow us to employ all the tools, all the methods, of financing social change. Philanthropists are willing not only to make grants to build the civil society

infrastructure that is so essential to social change; they're also willing to leverage their personal or corporate standing to advance their advocacy. They're willing to leverage their assets. They're willing to extend their own creditworthiness to others through loan guarantees to lower the cost of capital for the poor. They're willing to make equity investments to advance their philanthropic goal.

And so the fifth trend is that through our desire for leverage, we are very willing to collaborate across sectors. We're willing to work with the private sector to unleash private capital and equity and to work with the public sector to unleash taxpayer dollars. They want to leverage both.

That of course has led to the sixth trend, and that is the convergence of both the social and the private sectors, which is what will be very much the focus of the next three days. After all, you're on the campus of Google, which is a company that has as its core mission the provision of information, usable information, *useful* information—a social good. And by virtue of translating the world's knowledge into the languages of the developing world, Google makes a contribution to providing people who were previously isolated by politics or by poverty with the information they need to succeed. Things that we assume—weather reports, news of a crop blight, commodities prices, the tools that we use to succeed—can be made available through this method. But it's not only Google. New philanthropists in general are willing to put their companies to the service of their social goals, and we will have many examples of that in the next three days.

Now, despite our fascination with market solutions, and our focus on these solutions and the role that the private sector can play, we do ask that you bear three things in mind:

The first is that grants represent true risk capital. Therefore they are essential; they need to be valued.

The second is that policy matters. Markets cannot solve all problems. Markets provide for the rational distribution of wealth but not always its equitable distribution. That is the role of policy and the role of philanthropy.

The third is that individuals—ingenious individuals, inventive individuals, brave individuals provide the keys; they unlock the systems. They offer the acupuncture of the idea that allows new solutions to flow. So we urge you to take the time to get to know the social entrepreneurs among us—and particularly take advantage tomorrow evening of the opportunity to meet with them and with their supporters to learn about their strategies, their successes, their failures and their vision of how to effect social change.

Now as you listen to their stories, I just have a few favors to ask.

The first is that you do your best, and we will do our best, to try to erase the boundaries between speaker and audience, to erase the boundaries between grant maker and grant seeker and to erase the boundaries between teacher and students. All of you are here as experts in your own right. We want to learn from you.

The second favor I have to ask is that to achieve that goal, to erase those boundaries, we ask that you take very seriously the notion that the Global Philanthropy Forum is a no-fundraising zone. This needs to be a place where donors feel very free to try on new ideas, to think aloud, to muse with others, to admit to mistakes; it needs to be that kind of free-flowing forum. It also needs to be a place where social entrepreneurs and grant seekers are treated with the same level of respect that their expertise requires and suggests.

The third favor is that we hope you'll take advantage of our paperless ways. Know that you're preserving both energy and forests in the process. Feel free to go to your laptop, or use our bank of computers in the main tent, and click on the conference panel that interests you, and you will find the collateral material there, coming from the various organizations that are doing effective work in this area.

The fourth thing we ask of you is that you *do* network, that you recognize that what happens in the hallways, the restrooms, any old place, is as important as what happens in this room and in our breakout sessions. Take advantage of your nametags that will, through a color-coded mechanism, signal to others the things that interest you most.

Finally, we ask that you enjoy. Enjoy one another. And also enjoy the music of Angelique Kidjo. At that point I'm asking Larry to dance with me.

I want to return to Larry's story of the saint walking down to the Ganges. The conundrum that he faced is very much like the conundrum faced by John D. Rockefeller, who started out writing checks in response to the requests made. He was responding to his own sense of conscience, his own spirituality, his own sense of social responsibility. But what he wasn't responding to was his own sense of strategy. He made that transition from charitable giver to strategic philanthropist. He helped invent the field of organized philanthropy in the process, and he and his offspring went on to launch entire systems of public health and to eradicate entire diseases. We're talking about results.

So it's fitting that my task right now is to introduce to you as our keynote speaker, the woman who leads the institution that bears John D. Rockefeller's

name. Despite the Rockefeller Foundation's powerful legacy, including the catalyzing of the green revolution, Judith Rodin does not believe in resting on yesterday's achievements. She feels that if the Rockefeller Foundation is to be an agent of social change—a social change institution—it too must be willing to change. And so, while you have Judith Rodin's bio in your program, I think that the best way for me to introduce her to you is to simply say that Judith Rodin is both a student of social change and an agent of social change, and she's here to share her views with us. Thank you.

JUDITH RODIN:

Thank you, Jane, for that very generous introduction. The Rockefeller Foundation has helped to support the Global Philanthropy Forum conferences in recent years, and I am delighted to speak here today.

And it's great to be in the Bay Area. With its vibrant economy, its leadership in technology and new media, its role as a gateway to the Pacific Rim and Asia and its dynamic philanthropic sector represented by so many in this audience today.

And how wonderful it is to be here at Googleplex, this incubator of ingenuity and innovation. I can't imagine a better setting for a conference that aims to "inspire and inform." And I couldn't conceive of a more inspiring group of speakers: former President Clinton, Steve Case, our host Larry Brilliant, and many other visionary foundation leaders and thinkers.

What a great topic I've been given to explore with you today: "The Changing Practice of Philanthropy." Because this is a remarkable time in philanthropy, with the abundance of change that we've seen this period—both in terms of remarkable acts of generosity that have energized our sector, and in terms of the tremendous need in the world today. Our work has never been more challenging, or more necessary.

But today, for just a few minutes, I'd like to take you back in time—back to the year 1913. That was the year John D. Rockefeller, Sr. created the Rockefeller Foundation with the goal of "promoting the wellbeing of mankind around the world." It was a milestone in the history of philanthropy, a time when industrialists like Rockefeller and Andrew Carnegie were directing substantial parts of their enormous wealth toward some of the world's most difficult problems. And the problems were immense. Diseases like yellow fever, hookworm and malaria were rampant, but there was little knowledge about how to treat them. The basics of public health were as yet unknown.

Since taking on my position, I've often thought of those early philanthropists, and what was happening in the world around them that spurred them into action. World War I was of course the great divide. Out of that war came terrible insights into the fragility of the modern international political and economic systems—and thankfully as well, a belief in a better future for humanity.

Looking back at those early days, what strikes me is the responsiveness of John D. Rockefeller and his advisors to the specific challenges of the day. They saw conditions that needed to change. They did their homework. They invested in world-class research. They called in the experts and paid for advice, sometimes putting them on the payroll. They experimented, adapted and changed course when necessary. They didn't use the word "innovation." They called it "scientific philanthropy." But innovation was their game. It was bold, it was risk-taking, it was experimental.

That first phase of philanthropy—let's call it Philanthropy 1.0—still forms the bedrock of what we do today. Out of its approach came breakthrough achievements such as a vaccine for yellow fever, the professionalization of public health and the spread of Western medicine around the world. It was ambitious work with a global reach—the first global philanthropy of its kind. It expanded the frontiers of knowledge, and it improved the lives of millions.

It would take another world cataclysm—the Second World War—to launch what we can think of as the next generation of philanthropy. Again, it came at a time when faith in the progressive view of humanity was hanging in the balance. World War II shattered the old colonial empires. And all over the globe, new political structures were emerging. The underdeveloped world and its problems came to the foreground in new ways. Again, the Rockefeller Foundation and others adapted to the new reality. The result was Philanthropy 2.0, with much more work on the ground, and the support and encouragement of the NGO sector as critical intermediaries for our philanthropy.

At the Rockefeller Foundation this included supporting entities that promoted knowledge about birth control and techniques to improve maternal and child health, and those that would lead a revolution in agriculture in places where millions were starving. We helped launch and create social justice and civil society organizations at home and around the world. This second phase of philanthropy further added to the bedrock of our foundation, literally and figuratively.

Philanthropy 1.0 and 2.0—each an adaptation to shifting global realities. Each giving rise to new ideas, new ways of leveraging resources, and tackling some of the world's biggest problems, again, in new ways.

Today we find ourselves at another inflection point. Once again, the world is changing dramatically. The forces of globalization have shaken up the old arrangements—the Cold War has ended, and once-closed societies have now joined the cultural and economic mainstream.

We look at the effects of globalization and see benefits everywhere—a revolution in technology, greater interconnection, more interdependence—a transformation of our systems of transportation, finance and information. The world grows smaller, and for many millions of people, economic opportunities expand.

But not for everyone.

Some regions and groups are benefiting less than others. In some places, globalization has generated conflicts within and between nations, and exacerbated the inequities. Millions of people are still living on less than a dollar a day. Some people are even more vulnerable, and are falling even further behind, both abroad and here in the US.

To address these new sets of challenges, we at the Rockefeller Foundation have been working on our version of Philanthropy 3.0. Over the past two years, we have been engaged in an intense and rigorous examination of our strategic direction. At a time when the philanthropic sector is itself undergoing a revolution, we've asked ourselves the following questions:

- How can we make the most of our unique history and resources, to ensure that we have the greatest impact?
- How can we open ourselves to the great ideas and tap into the wonderful new thinking that's happening in our sector?
- How can we listen better to our beneficiaries, and be more responsive to their needs and concerns?
- How can we better organize ourselves to continue to address the world's most pressing problems?

This much we know:

Nearly a century after the Rockefeller Foundation was founded, our mission still has profound resonance for us. The fundamentals that John D. Rockefeller, Sr. identified have not changed—a focus on the root causes of global suffering and inequity, and a determination to address profound social issues around the world.

But to fulfill this mission with 21st century tools, we are turning a new page. We have seen that innovation emerges in unpredictable ways. So we believe that

the pipeline for new ideas and approaches must remain more deliberately open and therefore have created new mechanisms to do so. For example, click “ideas” on our home page and you will find new Web-based structures that allow us to search the world for new ideas.

Our new work focuses on specifically defined, time-limited initiatives that address big problems where we feel our involvement can make a high-impact difference. We will take on issues where we feel we can bring a distinct and comparative advantage based on our unique resources, our history, our assets and our values. Without fixed programs, we will work more flexibly across disciplines and areas of expertise, organizing around the problem and what it will take to solve it. When fully built out, many of our initiatives will intersect and overlap in a Venn diagram-like structure. We are tackling problems that require us to be much more nimble—to jump in quickly—when the problems are urgent and time sensitive, as well as continuing to invest in those that require longer-term commitment. We are seeking novel and strategic forms of partnerships with a variety of players. And, importantly, we are emphasizing work that enhances building capacity and resilience and produces systemic change.

Let me give you some examples of what I mean.

We recently formed a strategic partnership with the Bill and Melinda Gates Foundation called the Alliance for a Green Revolution in Africa (AGRA). Both foundations are committed to alleviating hunger and improving agricultural productivity on the African continent by working with small-scale farmers to produce substantial capacity building and systemic change.

We know that significant progress will only come about over a long-term horizon. Such an investment calls for an intensely multi-layered and multi-partnered approach, requiring both smaller scale pilot work and large-scale interventions. Each partner is intentionally and deliberately working in a way that each does best, emphasizing its strengths and then pooling our resources both intellectual and financial.

Rockefeller has done deep pilot work on seed breeding, soil fertility and output markets, and created and supported local NGOs and international research consortia. We bring significant presence on the ground in Africa (and prior to that, experience in Asia and Latin America). The Gates Foundation supported large-scale studies to enhance crop nutrients and develop new water technologies. Together we hope to bring vital energy, intellectual rigor and resources to the drive for increased agricultural productivity on the continent. All of these and more are needed to create the continuum of changes necessary for an African

Green Revolution. Now we are ready to combine these areas of work in thirteen African countries.

At the same time, our goal is to align with and learn from a broad array of partners who are testing their own approaches to enhancing agricultural productivity in Africa. Our alliance will bring together grantees with public and private sector partners, using money, expertise and our networks, to help improve the lives of some of the poorest people in the world. This model of strategic collaboration purposefully divides the commitments to seek leverage around a single problem, until the work can be taken to scale.

A different example is our initiative in the city of New Orleans as it struggles to recover from the devastation of Hurricane Katrina. When the storm struck the Gulf Coast in the summer of 2005, it exposed, as we all know, a horrifying degree of entrenched and grinding poverty suffered by a population that had been left behind long before the storm waters hit. At first the Foundation, along with many others, gave grants to extend immediate help for shelter and relief.

Then months went by as city and state authorities tried to pull together a substantial coordinated plan for the city's redevelopment. By last spring, the planning process had run into a terrible logjam—caused by a shortage of public resources, a great deal of frustration and uncertainty, too many competing interests and not enough incentive to compromise.

At the Rockefeller Foundation, we saw the logjam and an impasse building that would affect thousands of poor and vulnerable people. On short notice, we stepped in to help jump-start a unified, inclusive and cooperative planning process, using our influence as well as our money. The funds would be instrumental in assuring that New Orleans could tap into critically needed federal funds for long-term recovery, which were being withheld without a plan in place. Breaking bottlenecks where we can will become a signature of our new way of working.

Our New Orleans initiative helped pull together players with different and sometimes conflicting interests that includes the mayor, the city council, the governor, the State Recovery Authority, and representatives of more than seventy neighborhoods throughout the city. It provided funds for hiring new leadership to carry out the recovery plan once it was completed and funds to keep the plight of New Orleans on the national political agenda.

Our initiative in New Orleans was and still is a gamble. The politics are bitter and the chance for failure is large. But we also knew we had resources and the convening power, the credibility, to make a difference. We hired a community

development expert as a new program officer specifically for this project—someone well versed in the complexities of urban planning. She moved to New Orleans to help administer the grant and shepherd the planning process. When her role with us is complete, she will become the senior vice president for programs of the Greater New Orleans Foundation, extending our commitment to build local capacity on the ground.

All of this was planned at the beginning of the philanthropic investment. We knew from the outset that as time goes by, our impact would level off. Others will step in to push the process forward. And therefore we planned carefully and transparently at the start for how our commitment in New Orleans will end.

To take one more, quite different example, in the past few months the Rockefeller Foundation launched an initiative called Innovation for Development. Many social innovators are experimenting, some with great results. The challenge is to create the next level up systems of innovation that work for poor people, by promoting greater access to and use of innovation methods, tools and resources for those working on the needs of poor people. The Initiative will highlight and promote testing of innovation models, typically arising from the private sector, and fund several applications of each model to problems of the developing world.

The models that have had demonstrated success in the private sector include, but aren't limited to, "crowdsourcing"; participatory or user-driven innovation; publicly held and freely available platform technologies, data banks and scientific publications; and patent databases and technology landscapes that can guide innovators towards tools in the public domain and around thickets created by proprietary rights.

To take just one example, in partnership with a private sector company called InnoCentive, we are funding an example of the "crowdsourcing" innovation model. It uses the Web to find and reward innovators from around the globe who can develop solutions to science and technology issues faced by the poor. We support the Seekers, those with the problem to be solved, to use InnoCentive's Web site for posting problems that need solutions, an assay to be developed, a low-cost delivery device, a low-electricity-using instrument and we offer a monetary award for the answer. InnoCentive's registered Solvers, 150,000 of them worldwide, submit solutions and the winning Solver collects the reward if the problem is solved successfully.

Throughout the next year, we'll be announcing other new initiatives in health, economic insecurity of the American worker and adaptation and resilience in the face of climate change.

Another critical component of Philanthropy 3.0 is measurement to assess impact. Our sector must focus attention on issues and places not only where we know that the needs are great, but where we can have measurable impact. As such, each Rockefeller initiative is now designed with a clear timeframe, identified activities and products, specified learning outcomes and a projected endpoint.

Will we take risks? Of course. Will every important outcome be easily measured? Probably not. And we cannot focus only on that which is measurable or we can distort our philanthropy. But the outcomes of our investments do matter and we must learn what works and how in order to do great work.

So Philanthropy 3.0—seeking innovation, influence and impact, supported by the pillars of our time-honored traditions. We intend to be bold. We intend to learn, and change and learn again. Just as software designers here in Silicon Valley must retool their programs to keep up with the changing times—so too all of us must adapt our philanthropic models more frequently to incorporate new technologies, to address new local and global realities and to grasp new opportunities.

Old institutions are experimenting with new structures. The private and the public sectors are coming together in experimental new forms with burgeoning numbers of public-private partnerships. “Venture philanthropy” and “philanthropreneurs” are the buzzwords of the day, especially out here in the Bay Area. Capital is being used more strategically, and leverage is more critical than ever. Whatever the label, whatever the structure, it’s clear that something radically new and exciting is happening within our sector.

Rockefeller has chosen a new structure that’s right for us. Our model assumes there are other forms of philanthropic giving. In fact, our model depends on it. Among our most valuable assets are the networks we have formed on the ground in the United States and throughout the world. That includes NGOs of all sorts, beneficiaries, experts and other foundations and partners from the world of philanthropy, government and the private sector—sharing knowledge, expertise, and a profound sense of commitment.

This region has been a laboratory of new ideas, inspiration and know-how. This past fall I met with Larry Brilliant, the visionary force you heard speak this morning, as well as Iqbal Paroo of the Omidyar Network, Sally Osberg of the Skoll Foundation and Paul Brest of Hewlett. And I look forward to getting to know and learn from many others of you in the months ahead.

We're excited about trying new ways of working and as Larry himself told the Los Angeles Times, "Rockefeller is almost the country's oldest foundation, we're almost the newest, and we have come to almost identical conclusions about the way to address the world's problems."

No one player can solve major problems alone. In a dynamic, globalizing world, we can and must seek solutions to complex problems together—seeking advice from and pooling resources with other foundations, seeking local knowledge and insight from people on the ground and partnering with the public and private sectors.

As you participate in this conference over the next few days, I challenge you to think about creative new ways that you can approach your work and how you can widen your circle of partners in order to get the job done.

The Rockefeller Foundation has been re-invigorated by fresh thinking. The work has been, and continues to be, exhilarating. We are beginning to think about our centennial, which is just a few years away. Such a milestone can often be a time to focus on the past, and to do so wistfully. But I am pleased to say that we do not see it that way. Our focus is on the future.

We are optimistic about the ability of Philanthropy 3.0 to reduce vulnerability and increase resilience for millions of poor people worldwide. Working with many of you, this is going to be a great time to change the world in profound and passionate ways. Call and email me. I look forward to hearing from you. Thank you.

PLENARY ONE



THINKING DIFFERENTLY: BLENDING THE PRIVATE AND SOCIAL SECTORS

**IQBAL PAROO, BRIZIO BIONDI-MORRA, MARC BENIOFF,
JACQUELINE NOVOGRATZ, KURT HOFFMAN**

WEDNESDAY, APRIL 11, 2007

IQBAL PAROO:

Good afternoon. Welcome to Plenary one of the Global Philanthropy Forum Conference this afternoon. My name is Iqbal Paroo; I am the president and CEO of Omidyar Network for a few more days. When Jane Wales called me several months ago and asked if I would consider moderating a panel, she was quick to tell me that the focus of the forum was leveraging markets and entrepreneurship. I knew that we had come a long way in the past three years when I heard that topic, so I was obviously very interested.

As I was listening to Judith Rodin's keynote address, she referred to Philanthropy 1.0, 2.0—she has quickly learned the lingo of the Bay Area—and then she talked about 3.0. How do we organize ourselves to address the most pressing problems that the world is facing? She referred to twenty-first-century tools: new mechanisms, open architecture. She talked about systemic change, apparent in that thinking at the systems level, at a holistic level—multilayer, multipartner, across all sectors, not just the social sector. So inherent in all of this, on the topic of leveraging markets, I assume we can begin by agreeing that markets include all the sectors. Blending the private and the social sector—and let's not forget the public sector—and how we leverage across all sectors is something I'm looking forward to learning from this panel and then with all of you today.

Let me just talk a moment, as I turn it over to the panelists, about Omidyar Network itself. It is an organization that is mission-based; it was created on the belief that there are abundant possibilities in the world for creating positive change. We saw good things happening in the social sector, and yet there were also things happening in the private sector. We saw both nonprofit and for-profit efforts that were enabling people to tap their own potential to address their own needs. As an organization having been founded as a foundation, we transformed into what is today Omidyar Network, an LLC that has been at the forefront of blended approaches for the past several years.

In its short life as Omidyar Network, we not only endorse the blending of the sectors but we also believe that market-based approaches to achieving what has traditionally been achieved through philanthropic approaches is part of 3.0.

When Judith mentioned in her presentation InnoCentive—the platform that Rockefeller Foundation is today using—it's one of many platforms that Omidyar Network has funded. We were one of the early funders of that platform, of Meetup.com, of Prosper.com, of CDD, Collaborative Drug Discovery; those are examples of the way we view advancing social impact across all sectors.

At this point let me welcome our panelists, four distinguished individuals. I will introduce each one of them as they come to speak. The first speaker, Marc Benioff, is the founder and CEO of Salesforce.com. He has been regarded as one of the leaders of what has been termed “the end of software,” the growing belief that on-demand application can democratize business technology by delivering immediate results. Marc has been listed by *Fortune* magazine as one of the top ten entrepreneurs to watch. But he is here today because there is something else that's his passion now, besides building a major company. He is determined to use information technology to produce positive social change, since 2000, with the launch of Salesforce Foundation. This organization is aimed at bridging the digital divide. They have invested millions of dollars in that effort. And Marc's going to talk about a pioneering model that they have invented, what is referred to as a 1 percent model. I'll let him discuss what that really means, but suffice it to say that Salesforce Foundation has demonstrated the power and the impact of integrating philanthropy, private and social sectors.

MARC BENIOFF:

Thank you very much, and I'm delighted to be here. My journey in philanthropy started about ten years ago at the America's Promise Conference, called the President's Summit. I was at Oracle at the time; I had been there for about twelve years. It occurred to me at that moment at the conference that corporations have a pretty big role to play in regard to philanthropy. But at that point, even though Oracle had been in business for about twenty years, we had not really done anything. So we came back and created a \$100 million foundation to put computers in schools, which was a very big initiative about a decade ago—to wire them, get them on the Internet—and we started to do it on a global basis. Well, we kind of had a pivotal moment happen to us.

About six months into the program, Colin Powell called us: “Hey, congratulations for doing this, and I have this school in Washington, D.C.; I'd like you to come out and hook it up—McFarlane Middle School.” And so we went out there, and it was about 110 degrees. Being from San Francisco, we were not used to weather that hot. Our three guys called us and said, “Look, we've got two problems: First of all it's 110 degrees.” I said, “I know; I saw the news.” And they said, “Number two

is we had asked the local office to come out and help us, but nobody showed up.”

It was very upsetting. I called Colin Powell and I said, “We have this problem, and what do you think we should do?” And he said, “Oh, Marc, get out.” And he practically hung up on me.

And then twenty minutes later, the guys called me and said, “Do you know what just happened?” And I said no. “Oh, we just had like a battalion of Marines show up, and the computers are going up the stairs. It’s unbelievable!” So I said, “That’s pretty cool, but there’s got to be a better way.”

A year later, when I started Salesforce.com in 1999, I said, “This is what we’re going to do. Day one from the start of the company, 1 percent of our equity is going to go into a 501(c)(3) public charity”—very easy because the stock wasn’t worth anything at the time. One percent of the time of all of our employees (which was me), four hours a month paid time off, and 1 percent of our profits (which were zero) would go back and fund nonprofits and their operations.

Well, now we’ve been in business for about eight years, and we are a publicly traded company on the New York Stock Exchange; our market cap is about \$5 billion, and our foundation has about \$50 million of assets at its disposal. It’s already given away \$10 million. We do about \$100,000 a year in nonprofit service, and we run about two thousand nonprofits and private foundations for no charge. That’s part of our commitment to the philanthropic sector.

Is there anyone here who uses Salesforce to run their philanthropy or nonprofit organization? And all of you are welcome to it, by the way. What we found was a level of integration that was missing at Oracle. We needed to have that integrated concept—that was fundamentally the key.

I gave this same speech that I just gave to you about five years ago at Stanford. Larry Brilliant and Sergey Brin were in the front row, and I’m very happy to let you know that they adopted our one-one-one model wholesale (and Dr. Brilliant owes me dinner for his job that he got because of it), and we really are excited. Probably the most successful thing that we’ll ever do is that they adopted the model and now there’s a billion-dollar foundation called Google.org.

So our pioneering effort really is to help find and encourage ways to get corporations to look for these integration points, or these models, where they can unite with foundations and private and public charities around the world. We really think that that is our mission. If I can help you in that, or provide service, you can always e-mail me.

IQBAL PAROO:

Thank you, Marc. You know, one of the things that came to mind as Marc was talking was that the benefits of thinking outside the box of philanthropy are numerous. You've just heard one model. You're going to hear three more. And so as we talk about these hybrid models today, inherent in all of these are challenges and opportunities; and it's for you to decide when there's an opportunity for you to ask questions to either get clarification, endorse the model, or challenge the model. That's what we want to do—rather than just listen to the four people speak and leave here and say, “Okay, this is the content we got.”

The opportunity before us as you listen to these people is for you to think about these different investment vehicles and structures that you're going to hear about. And also think about how we can operate those vehicles outside of our traditional philanthropic model—how we can use strategic levers and how we can think creatively to address the traditional goals of philanthropy or, as Judith talked about, the twenty-first-century challenges we have globally. So, at this point I'd like all of you to get into the mind frame that says, *We are here not only to solve hunger and health in the traditional way but also to think about how can we address those challenges with a broader set of tools and mechanisms that are clearly emerging in this twenty-first-century model: 3.0.*

The next speaker is Kurt Hoffman. Kurt is a development economist, and because of his role as the head of the Shell Foundation people always think “Shell—corporate perspective”; but the reality is that he has had a thirty-year history as a development professional, dedicated to the environment and the development field in general, and he's also been an entrepreneur and has some successes and some failures. So he has learned from his experience—the private-sector models and now at Shell Foundation. And what's most interesting, as I came to understand some of the work that Kurt has done, is how he is dedicated to using market mechanisms to increase, as an example, energy access to 2 billion people in the world. On that note, Kurt, I'd like to have you address the crowd and share with us your perspective on blending the private and social sectors.

KURT HOFFMAN:

Thanks, Iqbal, and good afternoon, everyone. It's a real pleasure and honor to be with my fellow panelists to, in a sense, kick off the plenaries and address the core theme of the forum, which is, as we've heard, blending private- and social-sector approaches to tackle social problems. I have no doubt that the modest accomplishments so far of the Shell Foundation have been due precisely to that blending of best practices from both sides of that equation. And what I'm going

to try to do is illustrate, through a few case studies, what we've been doing, what are some of the key lessons about how you go about blending these two sides, and what are the essential features that you're trying to capture.

Shell Foundation, launched in 2000, has as its very simple mission to bring business principles, business practices and market-oriented solutions to bear upon the social problems linked to energy production and consumption. That's a link, obviously, to Shell Group, but clearly energy is much wider than what Shell does. It has a big energy-poverty connection—the 2 billion people that Iqbal mentioned who don't have access to energy services; and clearly there's a link with climate change. So there's a close overlap between the core interests of the group and the interests of society, and the foundation works at the interface there, always focused on market-based solutions to these problems.

The first lesson, or dimension, that I want to bring out is the importance of the private sector's focus on sustainability in a financial sense and scalability. Four years ago we set about to tackle the problem of 2 billion people not having access in poor countries, particularly rural areas, to modern energy services: they can't turn the lights on or power up their sewing machines or their irrigation pumps using electricity. And we believed after the market research we did that it wasn't due to a lack of technology; it wasn't due to a lack of demand or a lack of affordability or an unwillingness to pay. Rather there was a lack on the supply side: there weren't sufficient numbers of small- and medium-sized enterprises capable of delivering energy services in an appropriate way to world populations. And we thought that the reason why they weren't existing, again, was not because of an absolute lack of capital but because of a relative lack of flexible finance that these enterprises needed. But, more important, there was a lack of basic business skills and development and expertise that you need to grow even a small business in these very difficult contexts.

So we started four years ago, investing about \$8 million in grant and risk capital along with local banks in Uganda and South Africa; we worked with the Shell businesses that would be able to provide us with some deal flow, and we focused on setting up investment funds that would bring together this flexible finance—lease finance, equity finance, and quasi-equity and debt finance, along with what we call business development assistance—and provide it together to invest in small enterprises needing investments from \$50,000 to \$500,000.

So we started a small pilot, focusing on that sector and the delivery of money and training together. Four years later, with what is now our strategic partner, Growth and Capital, which is an independent small-enterprise fund manager, we now have \$100 million of money under management. Not all is invested,

but \$100 million is committed to our Aspire African small-enterprise funds. And what's interesting is 95 percent of this is not our money—it's other people's money; and, more important, it's local banks and international development finance institutions, who, while they are development institutions, invest on a commercial basis, believe me.

So both those players are there from a commercial point of view because the funds themselves attempt to offer, and hopefully deliver, commercial returns on investment. So that's the key story, or the key element of the first story—to make more. It's not about individuals investing in individual enterprise. Of course that's very important, and Jacqueline in particular will talk about the success there. We know how difficult it is, but we know that it can be done. What we've focused on is creating the intermediary, the financial intermediary that itself is commercially viable and therefore, on the basis of that commercial success, can attract—not more philanthropic money, which there's just not enough of available to finance the millions of small enterprises that we need in these countries—but can access the private-capital markets. So that's the key lesson: focusing on strengthening local financial intermediaries and making them grow.

The second lesson is quite different. It's about the social sector securing the right kinds of partnership with the private sector. Most public-private partnerships—PPPs—involve big corporations and big public-sector players. The World Bank, International Finance Corporation, the Gates Foundation, and so on—there are some very successful ones. The Gates Foundation has been working with the pharmaceutical industry on bringing down the cost of anti-retroviral HIV drugs; Procter & Gamble has worked with USAID on the Clean Water Alliance. So there's some big, successful public-private partnerships (PPPs), but not many, and not enough of them have been successful.

Notably absent from these PPPs are smaller-scale players, small-scale investors, such as many of those in the audience. I want to give you an example of how I think smaller-scale investors can act. How they can, with targeted support and partnerships with large corporate players, leverage much more resources going in to tackle some social problems.

Again, it's about energy. Energy majors now face demand for incorporating biofuels into their energy supply and to the supply of petrol in their main markets. It's a compliance requirement. We know, however, that the available

biofuels at the moment from large-scale plantation sources in the United States, Indonesia, and so on are not environmentally sustainable. So the energy majors, including Shell, are worried about this and are looking around for alternatives. We're focusing on the possibility of investing—creating small-scale, sustainable suppliers of biofuels. There we find that the big investors are really inappropriate partners for us to make this move forward; but we do think that what we need is small-scale bits of capital from flexible partners who can work with us on an individual pilot project basis to demonstrate whether indeed it is possible to create these small-scale supply chains—and thereby both create a fuel that is environmentally beneficial and also bring a great deal of employment and job creation benefits to developing countries.

It's a win-win, with both topics as the focus of the forum. I think that the big players are not appropriate here. Smaller players identifying the market of these big-energy and other transnational corporations who are interested in the bottom-of-the-pyramid market can really apply their finance and skills, particularly if they understand enterprise, in a way that will leverage a great deal more investment response from the multinationals than the big players can. So those are two examples of how different elements of the private-sector model can be blended with the social model to deliver new forms of solutions to the problems that we face today. Thanks very much.

IQBAL PAROO:

Thank you, Kurt. So we've just heard an example of how a corporation, using its purchasing power, creates a powerful market for small and medium enterprise. But it's not just enterprise for the sake of creating that market; it's to build sustainable economies, thereby combating poverty and addressing many other social challenges.

The next speaker is Brizio Biondi-Morra, who is the president of AVINA Foundation, one of the largest foundations in South America, or Latin America, depending on how you view the continent. What is interesting as I looked at AVINA's work and the leadership that Brizio has brought to that foundation is how they apply business know-how to solving large societal problems. What's also amazing is Brizio's ability to give you excitement and passion through his storytelling. So you're going to hear some fun stories that'll get you inside, understanding the work of AVINA, which is located in nineteen offices in seventeen countries; and since 1994 they've invested in excess of \$400 million in this area. Welcome, Brizio.

BRIZIO BIONDI-MORRA:

Thank you, Iqbal. Lower your expectations. Two years ago the manager of one of our foundation offices in Brazil sent me an invitation. He said, “Would you like to spend two weeks knee-deep in garbage?” At first I wasn’t sure what to make of the offer. Maybe he was trying to send me a message. But then he explained. He said, “Look: São Paulo is a city of 16 million people. Do you have any idea what the garbage dumps of São Paulo look like?” And then he went on, listing a number of other big cities and the itinerary he had in mind for this garbage tour.

I just couldn’t resist. I went. And what I saw is beyond description: Mountains of rotting garbage the size of several city blocks. Just think of the smell. Vultures and hawks flying low over the mountain of garbage, looking for opportunities; and then literally hundreds of children, old women and poor men, scavenging in the piles of garbage, looking for food and looking for recyclable materials—boxes, cartons, bottles, plastic—that were in good enough shape to resell to somebody else. Please forgive me for giving this example, but it is something that is very meaningful to me: I remember seeing a ten-year-old kid opening with his hands a plastic bag in the pile, and inside that bag there were some used disposable diapers and some cooked beans, and so he started eating the beans.

There are thirty thousand of these people living on top of these mountains of garbage. And when I say “living,” it’s not just that they survive by getting involved in that activity—they actually sleep on the garbage because if they move away at night, somebody else will replace them, and they will lose the “right” of their own territory.

And by the way, I forgot something. You would think that the garbage pickers who collect things get paid in cash. Most of them get paid in *cachaça*, a hard liquor, which makes them alcohol-dependent. And when they are given the bottle, the buyer tells them, “What you gave me today is worth this much of *cachaça* in this bottle. To pay me for the rest of the bottle, you have to work another five days and ‘sell’ only to me all of your product. If you don’t, your life is on the line.”

There are another half million destitute people, who at night go around the streets, of big cities, looking for opportunities in the garbage they can find on the sidewalks. Well, imagine after two weeks of this tour treatment, one feels totally overwhelmed by the human tragedy, and by a tremendous sense of powerlessness. Sure, I thought, we can do a little charity here and there. But the scale of the tragedy was really overwhelming. That is part one of the story.

Part two of the story, and I’ll try to compress it in a couple of minutes, has three main components.

The first component was understanding the business, that is, making a comprehensive analysis of the entire recycling value chain. That led to identifying big margins between the garbage pickers and the ultimate end users, which are the recycling companies: paper mills, bottling companies, et cetera.

The second component was identifying what business decisions and social initiatives could address such a hopeless, overwhelming situation. In this case, managing profit margins and building a cooperative movement among garbage pickers proved to be two key leverage points.

Let me give you a few examples. Take a small metal strapping machine and take one pallet. And then you start putting all the folded cartons you can find in the garbage, one on top of the other, until it reaches about two to three feet. And then with this metal strap, you wrap the content around into a pallet. That weighs about 100 pounds. If you deliver that palletized 100-pound folded carton to an end user, you get ten times the price you get by selling loose cartons to an intermediary.

Take another example. Buying liquid detergent in bulk. Why? Once you collected so many used plastic bottles and you wash them, you can fill those bottles with liquid detergent, put on a local brand—the one you invent, of your own cooperative—and sell it. All of a sudden, from a garbage picker, you become a business entrepreneur. I won't tell you what happens to the price of what you sell. Margins become really great.

One last example. Take a plastic shredder, and you take all those piles of plastic bags and reduce them to powder. You can sell them to resin companies, and they will pay a good price for it.

What's the result of this? A cooperative, which is the third and final component of the story. It is an open-ended cooperative. This means we're not trying in this business model to make millionaires out of a few privileged garbage pickers. No. Once they get a level of salary that they never got before, say X times more than the minimum wage, the rest of the money is used to allow for a new cooperative member to join, and so on.

The result is that today, out of thirty thousand people who are living in the garbage, ten thousand are entrepreneurs and no longer live in the garbage. We think that in about five years, according to this comprehensive plan, there will be none or very few still sleeping on the garbage. Of the remaining half million who are on the street, we think that in ten years a substantial part of them will be part of the cooperative movement and will be entrepreneurs.

Now, how much does all this cost to the companies, to the foundations, and to the non-governmental organizations that together set this model in motion? I would say, in cash, about \$6 million over three years, plus a few donations in kind, like plots of land for putting local storage places, et cetera. But the entire sector is changing.

My final point is: What was the critical element? The critical element was when business executives stopped looking at the garbage pickers as garbage pickers and began looking at them as business entrepreneurs; and when garbage pickers stopped looking at the business executives as business executives and began to look at them as social entrepreneurs. Together, instead of assigning that particular slot in the value chain to garbage pickers and saying, “This is your role and this is your chance,” they co-invented an entire new system. And that, I think, showed the possibilities of an obvious win-win synergy: business and the social sector. Tomorrow evening you will have an opportunity to meet over dinner some of these social entrepreneurs, and I would encourage you to introduce yourselves to some of them. They are involved full-time in this social transformation. Thank you.

IQBAL PAROO:

Thank you, Brizio. So we’ve learned just now about another model—the detailed bios of all these people are in your packages, and they all have Web sites; so if you want to learn a lot more about their work, please go to their Web sites because what you’re getting is literally a snippet of the work that they do.

In this example Brizio talked about combating poverty by transforming children living off garbage into legitimate entrepreneurs. What he didn’t mention—because we talk about the private and the social sectors—was that there was a public sector agenda here in which they had to lobby the government in Brazil to recognize the children’s activities as a legitimate business; so in a holistic approach, they had to make sure that, if this was going to remain sustainable, all this effort, you didn’t have the government undermining it.

It reminds me, when you were telling me the story about the children, that I’ve heard our dear and admired professor Muhammad Yunus, Nobel laureate, tell the story about his journey in microfinance. And then, most recently, I heard him say that after all these years of learning—you know you never stop learning—another awakening came to him: when we talk about moving down market, down market, down market, that he found beggars. And he realized that if they’re

going to go door to door, begging for money, why don't I send them door to door selling goods? So he's now on a mission to convert beggars to entrepreneurs.

Our last speaker for today is Jacqueline Novogratz. I've heard Jacqueline speak lots of times. Most recently, I found her in Nairobi and we caught up by phone. We have a common passion about challenges in Africa. She is the founder and CEO of Acumen Fund, a nonprofit global venture fund demonstrating that small amounts of philanthropic capital combined with large doses of business acumen can build thriving enterprises that serve the poor.

But as I've been tracking the work—and I want Jacqueline to talk more about it today—I've seen that these enterprises not only create a social return but also have the promise of financial return over the long term, which is the issue of sustainability that we think about, and especially finding local commercially viable solutions to the challenges that we all think about. Water is just one example. There is a really creative model here in beginning to think about the power of the kind of work that Acumen does; ultimately, it not only begins to blend but also serves as a bridge to future long-term access to real private capital for huge social problems. Jacqueline.

JACQUELINE NOVOGRATZ:

Thank you. It's always hard going last because I get so excited about what everybody else said that I want to talk to each of you, but I think that's what is interesting about what's been said: we're looking at corporate models and the raising of revenue for philanthropy, what Kurt talked about with using your supply chain and different ways of entering the market itself to build opportunity for poor people. And then Brizio, because I think that so often when we look at markets and entrepreneurship, we forget in our talk to speak about the faces and the real people for whom we're doing the work.

I once made a speech in Bangladesh, and someone said, "That was very nice, but I think you've taken all the love out of the nonprofit sector." It was a real call to me. One of my favorite quotes is by Martin Luther King Jr., who said, "Power without love is reckless and abusive, and love without power is sentimental and anemic." And I think what's happening now in this room is such a metaphor for it; there's a realization that we're at a crossroads in the world, where we've been betting on markets and capitalism, and suddenly we're seeing that while we're at this amazing moment, where we've never had so much productivity and innovation and opportunity, we're seeing a massive amount of people in the world not only being left behind but, maybe more important, *feeling* left behind.

And so the future of capitalism really does depend on finding more creative, innovative ways of fusing love and power and using those philanthropic resources to create market opportunities so that, as Iqbal said better than anyone, at the end of the day, poor people can really solve their own problems.

The other thing I wanted to say, just motivated by today, was listening to Jane Wales and Judith [Rodin] talking about Philanthropy 2.0, 3.0, 4.0, and how it's also a mirror of Acumen Fund's development, what Jane has done with Global Philanthropy Forum, in that we were started at the Rockefeller Foundation six years ago, and our partners on the financial side as well as the innovation side were Cisco and three Silicon Valley entrepreneurs, including Cate Muther, who's here. And at some little party, Katherine Fulton of Monitor said to me, "Something really different is happening here because we're seeing a traditional foundation, linked with a Silicon Valley foundation, linked with three individuals who all share a common vision."

And now I look, fast-forward six years, and our group of supporters includes Google and Skoll and Gates and Salesforce, IDEO—and I'm sure I'm forgetting people, but they are in the room; and they are really coming together to think about what we can do. It's not to make philanthropy more strategic per se, because I think that's what we were focused on five or six or seven years ago, but to really solve big problems of the world. What's thrilling with Acumen Fund is to start to make a lot of mistakes, to see the power of the blurring of sectors and how you really can leverage real change. So I want to tell you a few stories after I tell you what Acumen Fund is.

We raise philanthropic dollars from foundations, corporations and individuals, and then we turn around and invest equity in loans, in both for-profit and nonprofit enterprises that we believe, as Kurt said, have the power to be sustainable and scalable, reaching a million people in a way that is ultimately sustainable, if not profitable. We work in Pakistan, India, Kenya, Tanzania and South Africa, with about \$20 million in investments under management; and we spend a lot of time focused on measuring the results. We work only in delivering basic goods and services, so we're not a traditional small- and medium-enterprise organization. We're really focused on using the markets to demonstrate better ways of delivering water, health, housing and alternative energy to people who make less than four dollars a day.

So I'll give a couple of examples of where we're starting to see that what we really learn from all of this is not just the jobs that are created—and thus far these enterprises have created more than sixteen thousand jobs—not just the

lives that have been affected on a direct level, but the policy changes that are possible; because if we don't really think—I think you said this, Iqbal, as well—about the public sector at the end of the day, we're not going to reach all of the people who need it.

Water in India is a perfect case in point. The debate going on in India is whether water is a human right, which is the government's stance, and therefore all people deserve access to free water, which no one can really argue with on a theoretical-philosophical level. The private sector is saying that water should be privatized; it's a scarce commodity and we have to find a way to deliver it more efficiently. The truth is that 700 million people have no access to clean water, except for—and Brizio kind of hinted at this—those who get to pay thirty to forty times what their middle-class counterparts pay because the Mafia has come in and filled the vacuum in slum areas.

So rather than get involved in that philosophical-theoretical debate, we invested \$600,000 in equity in a company called WaterHealth International about four years ago. The idea was to use a UV filtration system in rural areas—a decentralized way of delivering water, charging individuals about two to three cents for 15 liters of clean water—and see if we could create a business model from it. Long story short, today this company just finished a Series C round with \$12 million of additional equity invested with Dow and serves a hundred thousand customers across India. It's now being seen as a real blueprint for how we can better bring clean water to people who don't have access to it.

But I think sometimes when we just talk about market approaches, we assume that the markets themselves can really meet the needs of the poor, when in fact we know that they can't. And the whole point of this, as Judith [Rodin] said, is that it takes the markets that are helped with talent and knowledge. So everything we do goes into those categories of *What is the combination of capital, talent, and knowledge that's needed to make this change?*

So in addition to the \$600,000 in equity, we sent a fellow to work inside the company and do a redesign of the initial plant that was used to develop the water systems and make it more streamlined and more culturally conducive to people buying. We worked very hard on its strategic development. The company also works with a nonprofit that works in the villages, helping people understand what it means to pay for clean water, which they see coming from God—so why should I pay for it? Most of the villages require some level of subsidy, and you can always tell which ones because there's a face of somebody who's paid the 10 or 20 percent down payment for them so that they can build their system.

The second example is in housing in Pakistan. We've been working in housing on delivering mortgages and on actually building a housing development company; but what we've learned is what poor people often really want is a housing improvement loan, none of which exist—and this is in a country of 160 million people. Take a city like Karachi, 13 million people, 7 million of whom are squatters or live in low-income settlements. Kashf Foundation is a micro-finance lender that we've been working with for five years now. When we started working with them, they had seventeen thousand clients; and, though no assistance in this case really comes from Acumen, they now serve 165,000 thousand and are on their way to a million. These are entities that really can scale.

What we did, though, is talk to Roshaneh Zafar [founder and managing director of Kashf Foundation] and say, "We're seeing this huge market opportunity. Would you be interested in exploring it with us?" We gave them a fellow for a year; the fellow did a business study with them that resulted in a business plan, and about six months ago we made a \$900,000 loan to Kashf to start experimenting with what it would take to deliver low-cost housing loans. You wouldn't want to do this fully on a market basis because there was so much experimentation and innovation that was needed. We found that most people, even if they thought they had the mortgage, didn't have any documentation. And their idea, often, of a housing improvement loan was to build a shed for their animals because there was a much closer direct correlation with income generation. So through that iteration, they've now created a very robust and highly demanded program, so we're in conversations with them around raising another \$100 million in capital so that they can take this out on a wide-scale level.

In both cases, we're looking at the successes of being able to create viable enterprises that serve poor people so that they can make their own choices. But, increasingly, I'm starting to understand that the real value is taking those lessons and seeing the patterns and recognizing them so that we can be more intuitive, to really raise this to policy levels and, as Iqbal said also, move into the mainstream capital markets.

I know I'm running out of time. I just wanted to say a few other things. It is really clear that unlike the microfinance community, which is now thirty years old and has a proven track record, this new territory of trying to work in highly distorted, highly corrupt, fragmented markets, using the private sector to deliver basic goods and services to the poor, is probably your highest-risk and lowest-return financial market. And so we really do need both philanthropic capital and, over time, other forms of capital to create the kinds of businesses that will scale only by going into the capital markets and, in some cases, government.

But in addition to that, we really do need to spend philanthropic money—and not apologize for it—for the metrics, and for the knowledge, and for that sharing of knowledge, so that we're better as a world about talking about what goes wrong and why it goes wrong, so we can move faster to making things right. And then, probably the biggest piece is the talent piece. Whether you're talking to guys in the energy sector or to people who are trying to bring water to very, very poor people, the one thing that really holds them back from scaling, at least in startup, is that they don't have the talent. They don't have it at the senior management level; they don't have it at the lower management level. And so how do we fix that?

One small thing we did was create a fellows program for Acumen Fund, and I only say this, not to toot our own horn, but because I think it's something that we should all think about as a world. Between that program for eight fellows and our summer intern program for five, we received over a thousand applications from highly skilled people—thirty to thirty-five of them MBAs—from sixty countries. And so to Judith's point on Philanthropy 4.0, or the question on Philanthropy 4.0, it really exists already, especially in our young people. There is such a hunger to use their skill set to help, not necessarily go into traditional charities but to help build the kinds of solution systems, businesses that really can scale and solve big problems. And so I think it's time for some kind of a global corps of young talent that can be better placed and is a Peace Corps version 2.0, because in this case it shouldn't just benefit the young people who are going out there in a wonderfully idealistic way; it should take the pragmatism, the skills, the connections of the elites who are around the world and help them understand other countries—and their own countries as well.

Let me tell just one really quick story, which is about this ambulance company in India, because I think things do work, but it's really, really hard. It's a company that comes out of the private sector, where the ethos is service for all. Bombay has 18 million people and seventy working ambulances, and these private-sector guys said, "We can do better." If you're poor, you're taken to a hospital. If it's a free hospital, it's free; if you're taken to a wealthy hospital, it's wealthy—you pay more. Again, it's a small example of what's possible. When they tried to register their name, because they wouldn't play the corruption game, the only number they could get from the government was 1298, and they were a little baffled by that, but they decided that people would catch on. Last week this company was informed by the government that the new call-in number for all ambulances in Bombay is 1298. So it's an example that the kind of entrepreneurial talent, if

combined with the kind of capital and talent and, I would say, humor, that we can bring to this really can make a huge change for the world. Thank you.

IQBAL PAROO:

Thank you, Jacqueline. So we've now heard from all four panelists, and as you've seen, the different models. Some consistent messages are coming across about the power of philanthropic capital, private capital, public capital and the issues of using different levers; it's not only about money, various checkbooks, but about human capital. It's about the power of influence—influencing people and making them believe in who they are. They have the solutions; we need to create the enabling environment. So there's lots of rich content that's come out of this discussion today.

On behalf of the Global Philanthropy Forum, let me just thank all of you for taking the time to be with us. I also want to thank the organizers who have given us the opportunity to have this forum today. There is a lot more behind the topic of blending private, social and public capital. There are lessons to be learned. There are challenges and resistance to the models. There are paradigm shifts occurring, 3.0 and otherwise. We need to learn how to catalyze what's occurring and what can occur. How do we ensure, as we blend and approach new models, that we are actually staying true to mission and at the same time also leveraging the marketplace, and, as I said earlier, not distorting the market? And there are some interesting lessons learned. So some of you here definitely want to follow up with these people so that they may help you either commit to your emerging strategy and/or alter your strategy because there are some tough lessons learned. In the smallest way, Jackie said, we were so excited about somebody coming up with a solution for an irrigation drip and then suddenly realized, but that's not the only answer to our problems.

PLENARY TWO



FINANCING EFFORTS TO COMBAT CLIMATE CHANGE

**TIMOTHY E. WIRTH, PATRICIA BLISS-GUEST, JAMES CAMERON,
JAN-PETER ONSTWEDDER, IRA MAGAZINER**

WEDNESDAY, APRIL 11, 2007

TIM WIRTH:

My name is Tim Wirth. I'm president of the United Nations Foundation and for a long time have been engaged in this extraordinarily important issue, which will consume the next hour and fifteen minutes. I want to thank Jane Wales for putting this on the agenda, as she does every year, and giving us all a better sense of understanding the size and the scope of the challenge in front of us. To help do that, we have a really terrific panel today; I'm going to introduce them, make a couple of comments, and then ask each of them if they will make about a five-minute statement.

The first panelist here on my left is a pinch hitter today. She is Patricia Bliss-Guest. She is the deputy CEO of the Global Environment Facility [GEF]. For those of you who don't know, the Global Environment Facility is an institution established at the Earth Summit, and it is a cooperative venture between the United Nations and the World Bank to try to fund the difference between regular development projects and making those development projects sustainable—what's the delta of the cost. Patricia has been involved with the Council on Environmental Quality [CEQ] since it began in 1973. She's been at the GEF since that time, worked at CEQ under Bush I, and at the United Nations Environment Program before that.

The other panelists' bios are in your programs. James Cameron is vice chair of Climate Change Capital in London, a very distinguished lawyer whom everybody calls upon, I can say, on this issue of financing climate change. Ira Magaziner, one of the most creative public policy entrepreneurs of the past twenty years, with a really wonderful career in the Clinton White House. And Jan-Peter Onstwedder, project director for the London Accord, which is a cooperative research project to incorporate climate considerations into investment decisions. So we look forward to their comments and your questions.

It seems to me that we want to try to understand two things: first of all, in thinking about financing, what we're going to do about climate change we have to understand the size and the scope of the risk. And once you do that, unfortunately, the more you know, the worse it is. Once you begin to understand that, you have to start thinking about how we develop an investment pool large enough to meet the challenge. Can we view this, as I believe we should, as an

extraordinary opportunity for economic, social and political change? We can look at the climate change challenge as a woe-is-me hand-wringing issue; or you can look at it as: what are the seeds in the climate change challenge that are the seeds for tremendous change and opportunity?

What do we know about this? The Intergovernmental Panel on Climate Change report is just out, clearly outlining the consensus of the science and the size of the challenge. To review that very briefly, concentrations of carbon are rising very quickly, and so are temperatures. At a 2-degree-centigrade increase—which is where we're heading right now—most coral is doomed, most glaciers will melt, there will be much broader desertification, and inevitable sea level rise. And yet, to hold the temperature at just a 2-degree-centigrade increase, we need to level off carbon emissions by 2015 and decrease them by 60 to 90 percent by 2050.

How difficult a challenge is the decrease of 70 percent, say, by 2050? It took us four years to negotiate the Kyoto Protocol, which was a 7 percent decrease by a handful of developed, mostly alike countries. So it was an enormously difficult political and economic undertaking to get Kyoto agreed to, which, of course, this administration did not sign on to. In the next forty-three years, we have to get to a decrease of carbon ten times greater than that. So the challenge is huge, and the political task is daunting; and with each new scientific report, I believe the risk is clearer.

We will ask our panelists to comment on not only that background but also what they think we can do about it and what are the opportunities, both for society overall, and for individual investors and individual philanthropists who desire to focus their attention and their time on trying to find points of leverage where we can make a difference in moving this as rapidly and as significantly as must be done. So, Patricia, let us start with you. Thank you very much for pinch hitting at the last moment and being here.

PATRICIA BLISS-GUEST:

You're welcome. Thank you, Tim. I'd like to spend my five minutes sharing some information with you on the public funding that has been made available to address climate change and its impacts in developing countries. As Tim noted, the GEF is a multilateral entity based on a partnership between the UN Development Program, the UN Environment Program and the World Bank. At the GEF we have a bird's-eye view of how the world is taking action to respond to climate change. First, I think it is important to underscore that climate change for developing countries has two faces: mitigation and adaptation.

GEF-financed mitigation activities reduce greenhouse gas emissions by increasing fossil-fuel and electricity efficiency, increasing the use of renewable energy, and providing for better rationalization in transport systems. But mitigation cannot halt the impacts already being felt, or likely to be felt, in the immediate future. As we increasingly stare in the face of changing biological and physical systems—coastal zone erosion, coral bleaching, changes in agriculture, and melting glaciers—adaptation necessarily has become an important and rapidly growing thrust in the climate change debate in developing countries.

Adaptation activities are designed to help populations, especially the most vulnerable, deal with the adverse impacts of climate change: increased droughts and flooding, sea level rise, greater agricultural insecurity and increased health threats. Clearly, the challenge facing us is immense. The global response for both mitigation and adaptation cannot succeed unless there is deep and authentic political will secured by adequate funding from both the private and public sectors. One of the fundamental roles of the GEF is to help developing countries contribute to meeting the objectives of the UN Framework Convention on Climate Change, for which we serve as its financial mechanism. Our greatest concern is to help developing countries build the capacity to contribute to the global environment while they continue to address their own development needs.

On the mitigation side, our climate change portfolio has grown rapidly in response to country demand. The projects we have funded focus on removing barriers to energy efficiency or renewable-energy investments by helping create a policy and regulatory environment in which such investments can take place. We assist countries to ensure that their policy environment is favorable to clean-energy investments, that they are building the necessary capacity and know-how and market-responsive institutions, that they have access to technology and financing and that the private sector is engaged and has the right skills and business models.

Let me give you a few examples. In China we provided support to the producers of small-scale, coal-fired boilers, enabling them to redesign their equipment and to improve energy efficiency, thereby dramatically reducing millions of tons of greenhouse gases. In India we have supported rural community-based electrification, making use of trees grown by farmers on small pieces of wasteland and degraded land. In Mexico and in China, we have helped rewrite power sector laws and regulations to ensure that renewable energy gets fair economic terms from the manager of the electricity grid.

As I mentioned, our greatest concern is to support developing countries in their quest to address global environmental issues. Increasingly, this requires

attention to the ways in which we can help them adapt to the adverse impacts of climate change. The Stern report [*The Economics of Climate Change: The Stern Review* (Stern, 2007)] recently highlighted the fact that the cost to adapt to the impacts of climate change may be several times higher than the cost of mitigation. As vulnerable countries, communities and ecosystems are already being affected by climate change, we need to pay attention now to concrete adaptation activities.

The GEF manages resources from three funds focused on adaptation. From the GEF Trust Fund, we have set aside \$50 million to build the adaptive capacity and to pilot adaptation measures to make ecosystems more climate resilient, piloting how we can alter the course of development projects to ensure robust outcomes in the face of climate change. We have also mobilized resources for a Least Developed Country Fund to pay for the urgent adaptation needs of the world's poorest forty-eight countries. And we have established another fund, the Special Climate Change Fund, to finance concrete adaptation pilots in all of the developing countries. Altogether we have raised more than \$200 million to support adaptation projects. Let me give you a flavor of some of those.

In Colombia we are combining adaptation and mitigation by financing measures in water resource management to ensure continued energy supply through hydroelectricity in the face of growing water shortages. In Kiribati, a small island developing state, the GEF is financing a pilot project that integrates adaptation in all development sectors, including the management of vulnerable coastal areas and biodiversity. In Bhutan, under the LDCF—the Least Developed Country Fund—we are financing adaptive capacity, including early-warning systems, to climate-induced disasters due to glacial lake outbursts, a threat to poor local mountain communities. Through a series of projects in eastern Africa, we are helping farmers and local authorities obtain better information so that they may make greater use of drought-tolerant species in dry years and maybe even plan higher-value, moisture-requiring species in wet years. We want farmers to be better able not only to cope with drought but also to benefit from periods of good rains. But we are still in the early days, and we are all learning how best to adapt.

GEF funds are very limited, and the need for clean energy and adaptive measures in developing countries is immense. Our major trust fund currently has \$1 billion for climate change to be allocated between 2006 and 2010 among 160 countries—a drop in the bucket for this enormous challenge. Yet we are the largest grant-financing facility for change in the developing world. We believe that an investment in building capacity in the developing world—where the need for support is the greatest and the responsibility for causing climate change is the

smallest—is a key component of the path forward. We welcome your interest and willingness to explore innovative avenues to achieve this. A robust, truly global response to mitigation and adaptation is a pricey proposition. But the price of a weak response will ultimately be immensely more expensive. Thank you.

TIM WIRTH:

Patricia, thank you very much. That sets the table for the big question. Patricia correctly points out that the money available by the largest global financing facility is \$1 billion over five years. And she says that's a drop in the bucket. Well, how big is the bucket? That we must come to understand. The total amount of financial assistance available around the world is about \$100 billion a year for everything that everybody in the room is interested in—health, education, the environment, everything—it adds up to about \$100 billion. It is estimated that right now the annual cost of adaptation to climate change is itself \$100 billion a year; and on top of that, we have to think about mitigation. How do we change the energy systems? So the bucket is an enormously big one compared with the drops that are currently available. So, Jim, begin to take it away—and tell us how we're going to fill up that bucket.

JAMES CAMERON:

Thank you, Tim; it's a pleasure to be here. I've spent my career traveling from home base in the law to the worlds of philanthropy and investment and back again, and I feel at home here. What you've identified there, Tim, is also a scale opportunity. Once you understand the climate change problem and recognize that responding to it is an absolute imperative, you see quickly that there are huge opportunities to channel investment into the necessary change that we must make. And therefore it's rational in responding to climate change to align the interests of philanthropy and investment, even though there are many instances where they are quite different disciplines. And it's equally irrational to be defeatist about our ability to respond to climate change. So if you are a private-sector investor in clean energy or clean fuels, energy-efficiency technologies, carbon reduction projects—if you are a successful investor, you make those projects and those investments work for you; you are delivering a public good. Every ton of greenhouse gas emissions reduced from that enterprise serves a public good. Equally, philanthropy is necessary in many instances—and a supplement to public funding—to bring about the necessary change of consciousness that we must go through to be able to cope with a problem of this scale, which is diverse. Human beings are not very good at dealing with threats that come slowly from afar. We are very good fight-or-flight mechanisms—we are good at

dealing with something immediately in front of us—but something approaching slowly from afar, and from multiple sources, is very hard for us to cope with. And much of the problem that we face is conceptual. So philanthropy should contribute to improving the quality of our education, help us think systemically and get over some of the truly ridiculous barriers in our thinking.

For example, my generation, at least, has learned to make use of economic arguments to get things done, especially in our political realm. But we have undervalued the environment and overvalued economic analysis. We can't get rid of economic analysis to get things done; we've got to work with the grain. But hydrology, atmospheric chemistry—these are hard as nails. Economic forecasting, interest rate predictions and returns on investment are relatively soft by comparison. We tend not to breed the right kind of leaders for dealing with the climate change problem. There's no instant gratification here. You can't say, "I commanded that to happen, and lo it happened, and I therefore I am required obeisance and acknowledgment and respect." It's not going to work that way. The sort of leadership that we need for climate change is much more cooperative, is not going to get instant feedback, isn't going to be told "you're doing a great job," we won't even know that many of the policy experiments we're making today are going to work. If you want an image of the kind of leadership that we need, think of a working mother rather than a sword-wielding crusader type, commanding solutions or else.

We have got some hope in the way policy-driven markets are working to date. The carbon market is one such example where there is an alignment between public and private interest and where considerable capital is beginning to flow. At Climate Change Capital, we've raised more than \$1 billion for the largest private-sector source of capital for emission reductions, and there's more coming. And more will come with greater policy certainty, greater visibility of the long-term policy frameworks for investment.

I was very struck by the example that you heard from Brizio [Biondi-Morra] earlier, from the AVINA Foundation; and we've had a visit to Climate Change Capital recently from Pedro [Tarak] and his colleagues from AVINA. We can make a connection between the waste-picker story, which is so uplifting, and the carbon market. It turns out that composting waste makes carbon savings that have value in the carbon market. We can make capital flow that will advantage those sorts of businesses, thanks to the Kyoto Protocol and the Clean Development Mechanism. But there are other business opportunities, market opportunities that aren't driven by government, because of the phenomenal technologies that we have to communicate and to build communities. And here we are at Google,

perhaps the ultimate example of what can be done and where a long tail can be reached by millions and millions of consumers who can make slightly different choices about what they do with their resources, which will make a difference in dealing with climate change.

But let me conclude that Tim's categorization of the problem and the response to it is entirely right. We have a scale problem, we can respond to it, we have the first signs that policy is moving in the right direction, and we have the beginnings of entrepreneurship emerging. Climate Change Capital is an entrepreneurship effort, and we have the communications infrastructure to reach a lot of people with the basic things that they can do to make a difference. But we have so much more to do, and much of the opportunity lies precisely with the people who are in this room: the ability to motivate change in thinking alongside investment return that is going to make it profitable and alluring to put money to work dealing with the problem. And I see very, very promising signs that we can do that all the way across the economic horizon: from large-scale infrastructure investments all over the world, from investment in adapting to climate change—knowledge, technology, policy and finance—in building more robust water management systems, and from ways to improve the quality of the power we generate and how efficiently we use it. And there's more than enough scale there to attract mainstream investors. And money will begin to flow in the right directions if we can get the kind of connections made that are present in this room. Thank you.

TIM WIRTH:

James, thank you very much. It's interesting to reflect on parallels between this discussion and the previous panel. One of the major issues here is the one that Marc Benioff raised: scale, scale, scale—the size of the bucket. We've just determined that the largest public-sector funding for financing efforts to combat climate change is \$1 billion over five years. James tells us that so far the largest private-sector fund is \$1 billion, so we have found \$2 billion, and the bucket is at least \$100 billion. So that creates major risk.

Jan-Peter [Onstwedder] has lived with risk as Head of Risk for BP and working on financial risk for the Royal Bank of Scotland and Barclays Bank. How does a smart banker, dealing with risk, help us overcome the risk of not being able to finance action on climate change—or can we?

JAN-PETER ONSTWEDDER:

That's a good one. Thank you. I like all the comments by the previous panelists and it's a pleasure and a privilege to be here. Before I get to answer Tim's challenge, are you up for two pieces of simple mental arithmetic?

The first one is designed to scare you; the second one is designed to put your mind a little bit at ease anyway. How big is the bucket? Well, if you can follow the very simple mental arithmetic: Today's emission levels are about 25 billion tons of CO₂ equivalent per annum. That's 25 with nine zeroes behind it. Each of those tons of CO₂ equivalent at today's technology and prices would cost about \$30 to make it go away. That's per annum. That's the peak of what will be required if you want to reduce emissions to virtually zero. That's \$750 billion in case you want to work it out. So the bucket is really rather large. Now the cost as estimated by the *Stern Review*—a review, for those of you who don't know, commissioned by the U.K. government about eighteen months ago; they delivered its results about six months ago—says that the cost to act now equates to about 1 percent of GDP [gross domestic product]. One time. Cost of GDP.

The other piece of mental arithmetic: at a typical growth rate, we double our wealth in the developed nations about every thirty-five or forty years. Taking off a onetime 1 percent of GDP cost off of that means that your children will be twice as wealthy as you are but about two or three years later. That's it.

So as opposed to doubling our wealth in one generation, it may take two or three more years. On the one hand, 1 percent of GDP—\$750 billion maybe per annum—feels like an immensely large sum of money, and it is. But in another context, it means waiting two or three more years before we are twice as wealthy as we are today. So yeah, the bucket is very big.

What can you do about it? Well, there is a range of existing technologies. The question is: *How do you mobilize the investment?* And there are, in a nutshell, a raft of different things that the world will have to do before all of that private and public money that is currently invested in things like energy infrastructure will be invested in such a way that it will mitigate climate change or it will help us adapt to the consequences of climate change.

But, again, a little piece of data: something like 60 percent of the electricity supply that the world will need by 2020 will have to come from power stations that do not exist today. The money for those power stations will be available. We know that. It's a lot of money. A little bit extra, maybe, a little bit different, maybe, can make sure that 60 percent of the electricity supply by 2020 is low carbon or zero carbon. Those technologies exist. So we have to find the levers to unlock them.

The two critical levers that we've identified so far, in most of the debate, are certainty around the policy framework, particularly a policy framework that creates a cost for CO₂ emissions, be that from taxation or other measures of a social cost of CO₂ or through a market cap and rate mechanism; but that's one: certainty around the policy framework. And, actually, it's a more robust analytical framework for investors—to think about investment opportunities in energy, power generation, mobility, efficiency and adaptation.

Now why do I say, “a more robust analytical framework”? Well, there are two things missing at the moment—and this is the link with Tim's introduction of what I've been doing professionally for the past fifteen or twenty years or so. If you evaluate investments, you poll risk in the sense that you need to have a return for that risk. Artificially increasing the risk artificially increases the price of the solution. Uncertainty around the policy framework artificially increases the risk, the uncertainty around it. It makes the problem more expensive to solve. It also puts off the solution.

The robust analytical framework comes in with our being able to understand and project out these uncertainties around the policy framework and also around the appropriate scope of the problem. The scope issue is an interesting one. If you look at biofuels—an example mentioned by a number of speakers, so I thought I'd build on that one—changing the fleet of vehicles in the United States from regular gasoline-producing crude oil to biofuels produced from ethanol, which in turn comes from corn and natural gas, will not change your CO₂ emissions measurably. It's a very interesting idea, biofuels; and if you do it right, it can make a big component to the solution. But if you do it wrong, it won't help at all.

The robust framework that we need is something that looks at a total life cycle: dust to dust, or wells to wheels, or farm to fork, or other analogies like that. That really is important because we don't get a second chance at solving these problems if we don't get the analytical framework right. People with the best intentions could actually make the problem, maybe not worse, but certainly not make it go away. The London Accord, a project around this year, is designed to provide such a robust analytical framework. We have about twelve research teams from investment banks and dedicated research houses working on twelve separate potential solutions and figuring out how to evaluate the investment so that those people in financial institutions who advise investors on how to think about and how to evaluate investments in climate change opportunities will hopefully get it right. That won't by itself liberate the money, but I hope it will be one link that will allow that to happen. Thank you.

TIM WIRTH:

Jan-Peter has told us that if we have \$750 billion, that's enough to handle most of the bucket. That's not bad. The question is: *How do we find that \$750 billion?* The need is for the right policy framework and getting the analytical framework right, which is absolutely correct, reflecting, for example, the earlier panel in which Mindy Lubber asks the question about how we use government. How do we use the tools of government to get that policy framework right? And this is what Ira Magaziner has done with such brilliance over his whole career, most recently as chair of the Clinton Foundation's policy board. So Ira, tell us how we're going to do this.

IRA MAGAZINER:

That's an easy task. I won't need the full five minutes for that. Actually, what I want to do, as most good people with a political background will do, is answer the question I wanted to answer rather than the one you asked. And then I'll come back at the end to what you asked.

President Clinton and the Clinton Foundation last summer decided to take on and make a contribution in the area of climate change because we came to the conclusion that it was a fundamental, if not the *most* fundamental, issue that our generation was facing right now. We had had some success in work on AIDS and in other areas, but we felt we had to try to make some contribution in this area. And the reason we did is because the figures that Tim quoted about the 70 percent reduction we think are absolutely right. And we have to do that 70 percent reduction in a world that's going from 6 billion to 9 billion people and, more important, where the percentage of those people who are availing themselves of electricity and of motorized transportation is going up dramatically. Because remember that even though we had, say, 2 billion people on the planet about fifty years ago, only a small fraction of them actually lived in the electricity economy. Now we have people in China, India, southern Asia, Africa and so on—more and more coming in to the electricity economy as well as the population going up; and yet we have to reduce, in absolute terms, 70 percent of carbon emissions. It's a very big task.

The Clinton Foundation is going to try to make a contribution in three areas. I'm going to talk about one of them today that we started to work on last August.

Urban areas contribute about 75 percent of the problem. That is, they use over 75 percent of the energy in the world and generate over 75 percent of the greenhouse gas emissions. And an urban area on this planet, in its use of energy, is like squirting a fire hose through a spaghetti strainer. We waste so much energy that

it's mind-boggling when you look at it. Our buildings leak cold in the summer; they leak heat in the winter. Thirty-five to 40 percent of all the energy we put into heat and cooling goes out the walls, the windows, through the roofs and so on. The lighting that we use uses only 5 percent of the energy to produce light, typically. We sit in traffic jams, burning gasoline and putting CO₂ in the air on a regular basis; we waste a significant fraction of the total energy we're putting in as we idle, sitting in cities.

Our water systems in cities, even in developed cities like London or Paris or New York, are using fifty-year-old pumps, which are not exactly the most energy-efficient pumps we're capable of producing in the world; and they lose 35 percent of their water before it ever gets to a consumer through various kinds of leaks and other problems in the system. So we're pumping all kinds of water that we never use, using tremendous amounts of energy with inefficient pumps.

We still use solid-waste dumps. In the case of New York, for example, we actually truck the solid waste to Pennsylvania and pay a fee to bury it there. Those solid-waste dumps are generating methane, which is twenty-one times as potent as CO₂ as a greenhouse gas, as they decay. And that's the way we dispose of our solid waste on this planet. I was just in Lagos a few weeks ago, which, if you haven't been there, is now one of the largest cities in the world, increasing by a million and a half people every year. They can hardly collect all the garbage they have, and the garbage is just lying in dumps all around the city, generating methane as well as disease. And that's not atypical of many developing country cities.

I could go on and on. There are about twenty different ways in which we completely waste energy in our urban areas. So the Clinton Foundation is partnering now with forty of the largest cities in the world—a group that's come together as the C40 Large Cities Climate Group—and we're doing three things with those major international cities.

The first thing is we're defining four or five major projects across these areas that will be undertaken immediately; and we're going to help implement those projects to significantly reduce greenhouse gas emissions in those urban areas. If we can do it in cities like Cairo and Istanbul and Addis Ababa and Johannesburg, as well as Beijing and Shanghai and Delhi and Mumbai and Jakarta and Buenos Aires and São Paulo and so on, as well as New York and Chicago and London and Paris and Rome—if we can do it in all these cities and make a significant difference and show models that work and scale up, we believe it'll spread to the smaller cities as well.

The second thing we're doing is forming a purchasing consortium among these cities. This is something we did successfully in our work on AIDS: whereby pooling the purchasing power of a lot of the country governments that were purchasing AIDS drugs, we were able to affect partnerships with suppliers that reduced the prices of drugs and diagnostic tests by up to 80 percent. And in the case of energy-efficient products and clean-energy products, there are twenty different product areas in which we're now negotiating on behalf of the purchasing power of these large cities, which is a significant amount of purchasing power.

Those of you who deal in new technology know that the two most important things you need when you have a new product area are a predictable market and some idea about coordination of specs so that you know what to design toward. So, in our cities we're able to go to the people who are doing pioneering work in converting methane to electricity from garbage dumps; say our cities are going to purchase fifty or a hundred of these systems over the next four or five years—you have a market. But what we want you to do now is design to these harmonized specs that we're creating, and then we want you to forward-price a little bit to help us jumpstart the market so that we don't have to start at the price that it cost you to make your first waste-to-electricity system. By doing that, we're hoping to accelerate the deployment of technologies and to lower the prices and make them more accessible; and we're doing this across everything from lighting to HVAC systems to alternative energy.

The third thing we're doing is creating measurement tools, which will be standardized. Right now when cities talk about reducing their greenhouse gas emissions, when you look closely, they're all using different ways to measure and different philosophies. We're creating a standardized set of measurement tools that will be in software in real time and available; it can be used to measure both our own progress and also the progress that the cities are making and that the world is making.

Now to come to Tim's question about the financing, by way of closing. In doing all this, there are different kinds of financing that are necessary to make this a reality. Certainly, the use of the carbon markets and in the developing world the ability to package projects that we can get to James [Cameron] and others who are accumulating carbon financing is an important part of what they need to carry out their job effectively because they've accumulated money. But they need projects where you have a real, measurable impact on carbon reduction in which to invest in the developing world.

We'll be packaging those projects together, and we'll be able to ensure that they're working and measure the results of what they're accomplishing. Also, groups like the World Bank and so on can help, and tax incentives for alternative energy can help, but there's also a piece of financing where people in this room can help, which is crucial, absolutely crucial. The biggest blockage that we're going to find in this project is the capacity—the human capacity in the cities—to implement enough projects. And a crucial enabler is the ability to deploy small amounts of funds that can help in the development and training and education and management of these projects, the development of local management capability, and so on. And in that case, it's relatively small amounts of money; but if that money is not there, you can have all the carbon credits and all the carbon price you want, the projects aren't going to get done.

And so we are engaged. We have twelve partners now—of groups of experts, people like Lawrence Berkeley National Laboratory, the U.S. Green Building Council and others we help deploy for technical assistance, particularly in the developing country cities—but we need help to finance that. And we need help to finance the development of local capacity because the foreign capacity they're bringing should be there only temporarily and only to train local people.

Let me finish by getting back to Tim's question on policy. Tim (and he's probably too modest to say this) led the fight on getting Kyoto adopted globally and in negotiating, along with others; he played a very crucial role. And it was very important in the early nineties to get some framework in place that recognized the importance of greenhouse gases. But we now know, based on changes in the scientific evidence, that what Kyoto accomplished was relatively small compared with what needs to be accomplished. And the thing that Jan-Peter left out in the equation—although his \$750 billion, or 1 percent of GDP, is right—what the *Stern Review* also says, is that the risk of *not* acting is somewhere between 5 and 20 percent of GDP loss by the effects of climate change. So spending 1 percent of GDP to avoid having to spend 5 to 20 percent of GDP is a pretty good investment for the world.

What has to happen now is that there has to be negotiation of a post-Kyoto framework, which gets us to the magnitude of reductions we really need. That needs to start with a U.S. administration that recognizes the importance of the issue, which we've not had recently but which I believe we will have regardless of who's elected in the next election. Obviously, I have a preference for the next election; but regardless of who's elected, I think most of the major candidates on both sides now recognize the importance of this issue. And U.S. leadership is crucial because without U.S. leadership there's no motivation for the Chinese

leadership or the Indian leadership or others to come in. Or at least they've got an excuse not to come in. But if we come forward and really seriously and aggressively try to address the problem, it will make a big difference.

What we at the Clinton Foundation are trying to do is not wait for that. We're trying to act in concrete ways like the cities project. We're also going to do something where we combine our work on agricultural development with bio-sequestration in tropical areas to try to work on preventing deforestation and also better land use management, which we think can be done in a way that coordinates increased farm incomes and also increases the ability of the land to absorb carbon. We're going to work on a project there as well.

Let me finish by urging you to take a serious look at this issue if you have not done so. If you look at the work of the serious scientists now—the serious, sober, conservative scientists—and the consensus that's overwhelming, it says that we have about 3,650 days—ten years—to make a major, major shift in the way in which we are organizing energy in our economy. If we do not do that, the consequences for our children and our grandchildren are going to be breathtaking in their difficulty. And this is real. It's not like, unfortunately, putting sulfur dioxide into the air where you can smell it, or putting particulates into the air where you can see it, and you know you have a problem. Unfortunately, CO₂ and methane and so on are colorless and odorless—but don't underestimate the damage they are doing to our planet and the effects they will have on our children. This is something we have to act on collectively in a serious way. Thank you.

TIM WIRTH:

Most of this discussion so far has been carried out at 35,000 feet or above. Ira [Magaziner] very helpfully tells us what the Clinton people are focused on and adds two very important 30,000-foot concepts. First is to keep in mind the population growth and how that is going to exacerbate all of the issues that we're thinking about. Second is the fact that it's very helpful that the economic argument has changed. It's no longer what it was when we were negotiating Kyoto and trying to figure out how to pull people together. It's no longer *How much is this going to cost?* It is now almost everywhere *How much will it cost not to act?* And that change has made a tremendous difference. So please join in the enormous challenge of financing efforts to combat climate change. And it's going to be a great ride for all of us: for all of us and for our children and for our grandchildren and for the world. Thank you very much.

PLENARY THREE



FINANCING SOCIAL CHANGE: LEVERAGING MARKETS AND ENTREPRENEURSHIP

JANE WALES, LARRY PAGE, SERGEY BRIN, LARRY BRILLIANT

WEDNESDAY, APRIL 11, 2007

JANE WALES:

Why don't you join me in thanking Larry and Sergey for welcoming us here at the Googleplex. As you know, Google has identified three very large problems: global poverty, global public health and the climate crisis. They are approaching these three problems with a strategy that combines innovation, policy advocacy and investment. So it's a three-pronged strategy—together with capturing information technology and taking it public.

I think that one could argue that their greatest strength comes from the capacity to harness the talents of Googlers, harness the tools of Google and to inform and engage the public. But I say that because the issues we've identified, and their solutions, are going to be the result of the aggregate effect of millions of individual choices as well as the decisions that governments make. And so informing those choices will be all-important. So we're going to talk about the values that guide Google, that guide Google.org, as well as their views of how to conceptualize these issues and how to apply information technology to address them.

Sergey, I'm going to open with you and just ask you about the genesis of "Do No Evil." Is that the way to say it: "Do No Evil"?

SERGEY BRIN:

"Do No Evil," "Don't Be Evil"—a lot of people misinterpret that. They miss the implicit second-person subtext. Because of course it's not, "We're Not Evil." It's "You, Don't Be Evil." So it's speaking to the rest of the world.

JANE WALES:

And how are we doing?

SERGEY BRIN:

Well, to enforce this concept, Larry, tell them about the laser. No, I'm joking. "Don't Be Evil" was originally written down by our employee, Amit Patel, and it was after about a dozen employees or so. He was one of our early engineers, and he was concerned. But now it serves as a reminder to all of our employees—that's

actually what the subject of the sentence is—to consider the consequences of their actions. But after a little while, we realized that it was wrong. It shouldn't say, "Don't Be Evil" but "Be Good," because we can be very careful about the small consequences of everything we do and try to make sure that they're not evil; but ultimately we're in a position where we do have a lot of resources and unique opportunities. So you should, "not be evil" and also take advantage of the opportunity you have to do good. That is basically the genesis of Google.org, and that's what we're trying to learn from all of you: how we can best achieve that goal.

JANE WALES:

If your core mission, Larry Page, is to provide usable information, and you're translating that information into the languages of the developing world, what is the potential economic development impact? What is the impact on potentially combating poverty?

LARRY PAGE:

One of the things we've been really excited about is automatic translation technology. We have a team now that's doing the best translation in the world done by machine, not by people, which is available to use now. We think that those kinds of services can have a big impact. For people who, for example, only speak Arabic, their view of the world could be quite different than ours. The translation services can help to expand their access. To open the door to all this information, even if it's somewhat imperfectly translated, is a huge boon and I think we can start to do it.

JANE WALES:

One of the findings of the 2003 *Arab Human Development Report* was that the Arabic-speaking world was truly isolated because of the lack of translations of scientific texts, of great classics, of a variety of works. Larry Brilliant, how important is this to reversing that trend?

LARRY BRILLIANT:

I don't know the answer to that question. I know that in the past few weeks we've been fortunate to meet with a lot of politicians from Rwanda and Tanzania, including the presidents of both of those countries. And Larry and I were just talking about how remarkable it is that when you speak to them the first thing

they say is they want jobs. It isn't that they want more information, they don't want handouts, or more foreign aid, they don't want model millennium villages, they don't want demonstration projects, they don't want foundation money—they want jobs. And that is a clear-cut message, I think, for all of us as we look at the world around us. If you look at the trajectory of growth and the trajectory of change what really makes a country better is a more fair distribution of resources, a chance for people to get out of the cycle of poverty. And that translates into jobs.

LARRY PAGE:

I would like to add that I have this simple goal for Google. We have more than ten thousand employees now. And I thought that it seems like we should have one in every country. Ten thousand is a lot of people; Google is available in more than a hundred languages, and we're used in almost every country in the world. So I set out to accomplish that goal, and about six months later our lawyers came back and said, "Well, you can't actually do that because of the Foreign Corrupt Practices Act; you're going to have huge risks to the company even if you have one employee there," and so on.

After about a year and a lot of hard work, we actually have employees in twenty or thirty countries that are off the beaten path. And it's been tremendously useful. You can imagine a company with our footprint in places like Egypt, which might not be high on the list of where high-tech companies would normally have offices, but there are a lot of people in Egypt who use Google. The press wants to talk to us, and things need to happen. It was really a wakeup call for me about how hard it is for multinationals to do business in some places, but these tend to be the places that need those jobs the most. They would have more jobs if it were easier for companies to go in; there's no lack of smart people in a lot of these places. It was an interesting structural issue that I wasn't aware of.

JANE WALES:

So, in the end, policy matters.

LARRY PAGE:

Yes, and I'm not saying it's bad that we're trying to reduce corruption; that's obviously a huge issue, but I think it's had unintended consequences. A lot of businesspeople aren't willing to take the risks that are necessary to operate in some of these countries, which is a loss for them.

JANE WALES:

We were actually talking at the dinner table about the way businesses have in fact contributed to transparency. Shell, BP and others publicly post any transfer of funds to any government official so that bribery couldn't happen, or, if it did, it was known to the public. And so there's a very positive role that can be played if you're already there. Your problem is just in getting there.

Larry Brilliant, if you're talking about generating jobs, what is the role of small- and medium-enterprises—everything from mom-and-pop stores, to factories, to larger businesses? And is this the kind of investment strategy that makes sense for the philanthropic community?

LARRY BRILLIANT:

It's huge. We're doing a number of things. Some are small pilot projects, others are kind of learning initiatives, and some are big dreams, as you might imagine. Let me just ask the question: how many people here are working in Africa or India at all? Of those, how many are working in or are interested in working in job creation? It's a high percentage; it looks like about 80 percent. And it's almost a synonym of economic development and economic job creation.

I must say, we worked with TechnoServe—and Bruce McNamer—in Ghana, and with Rachel Payne, who did just a wonderful job. They created a business-planning contest. I was skeptical at first that it was just going to become an academic exercise, but it wasn't like that at all. Bruce and his team spent almost a year planning for it. They went to every corner of Ghana. They dealt with every religious community, every language community, every geographic area, especially with women. At the end, I think they got seven hundred business plans, out of which they found ten winners in three different categories. The top three category winners—no surprise to anyone here—were all women. And each of these entrepreneurs received \$15,000 in seed capital, \$10,000 in business development services, \$3,800 of additional services from business listing companies and financial advisory services — a package worth more than \$30,000 per winner. The top winner is coming to Tanzania to the TEDGlobal 2007 conference.

This was an amazing, transformative event. And how can I say that it was a transformative event, because ten \$25,000 grants can't be transformative for a country? But one of the investment bankers in Ghana, who had trained with Morgan Stanley in New York, came back to Ghana. He saw this emerging talent that was invisible to him before, and he started a bank, and he has put \$2 million

now into venture, to be used only for the people who participated in or won that business-planning contest. So the net result was an idea of a business-planning contest that was executed properly and evoked a feeling of hope in an entire country.

This is an example of capital chasing deals, which is better for a country than deals chasing capital. And so it's a really great success and one SME answer. I know Alan Patricof is here with a really great idea on SME funding. Tim Wirth is here; there are a great number of ideas in this space right now. I encourage people who are interested to find each other, talk about it and compare notes because it's one of the most important things we can do together as a community.

LARRY PAGE:

Can I ask a question? How many people here have been to Africa? Very good.

LARRY BRILLIANT:

That wouldn't happen in a typical meeting in America. That wouldn't happen in Congress.

JANE WALES:

Larry Page, you've been using your vacation time to go to the developing world. Is that right?

LARRY PAGE:

That's true. And I was asking because I've been pretty amazed. I just went to Ghana recently, for example, and I saw one of the business plan winners. I was surprised at the level of development. Before I went, I asked some of our people who have been there what it is like, but I just can't get any idea of the place until I go. I didn't expect Ghana to have a really nice yellow pages. And I actually brought it back and I showed it to our businesspeople. They have yellow pages just like ours.

JANE WALES:

And are you going to be encouraging Googlers to travel overseas as well and have that sort of firsthand experience?

LARRY BRILLIANT:

I'll take that. We're creating a plan to help interested Googlers learn more about these issues, and volunteer. You know, Jane, one part of it, which is an eighteen-month, sort of graduate school-level course on economic development, global health and climate change. The idea is that graduates of that course who are trained in economic development will make better volunteers, whether they're going to work with Wangari Matthai or they're going to work at the Aravind Eye Hospital. Then we provide opportunities for Googlers to volunteer with Google.org or some of the thousands of NGOs working on these issues. Because there is value to do what Larry's done: for people to come face-to-face with the countries that they're interested in working in, and really learn the economic determinants of the disparities. The first ideas that we suggest on how to eradicate malaria, how to stop poverty and how to stop climate change, they're frequently not the right ideas. It takes a long time to deal deeply in these areas, and we're fortunate in Google that we have a group of employees and family members who deeply care about that. So, yes, the answer is it's a good deal for us.

JANE WALES:

Sergey, Russia experienced the rapid impoverishment of many after having a strong middle class: Did that at all shape your concern about social change, about social benefit? How did it lead you to where you are today?

SERGEY BRIN:

I think for my experience, it wasn't as much growing up in Russia as coming to the United States and recognizing the tremendous opportunities that I had as a result of my parents and myself emigrating when I was six years old. I think that I'd like to see everyone have the kinds of opportunities that I had. We were very poor when we came to the U.S., and yet the country makes it so accessible to try to do the best you can, to get through school, try to get an education, be entrepreneurial. That just doesn't exist in other countries. And everybody has just the same capacity to develop and be successful; it's just that they don't have a chance.

JANE WALES:

When you think about the issues that you've identified as priority issues, science and technology have a large role to play in all of them. How important is it that we provide a welcoming environment for the brightest students from around the world to come to our universities to study science and math and engineering

and then bring those skills back home, lead their countries, build their economies, build businesses—or stay here and start companies here? How important is that to us and to your objectives?

SERGEY BRIN:

I think it's increasingly less important to them, believe it or not, because I actually see a lot of those opportunities emerging in these other countries, in terms of the schools, the caliber of the employees that we can hire in our India and China offices; they're very, very talented people. And they've now been well educated, and they have entrepreneurship there, they have businesses. And in a lot of these places—not all over the world but the parts of the world that I was referring to before—people don't have opportunity. But now there are a number of places outside the U.S. where they *do* have opportunity, and I feel that we are short-changing ourselves. It really hurts our companies when we can't hire the best and the brightest here and we have to go abroad. In fact, proportionally it hurts smaller companies because we now have offices in all of these places so we can hire them, but just a few years ago we couldn't, and we didn't have access to that fantastic talent. It's just silly.

JANE WALES:

At the graduate level, there's a huge opportunity in India with the Indian Institutes of Technology. At the graduate level, there are huge opportunities here. But, Larry Page, do we give enough attention to science and math education at early ages, both here and in the developing world? And is that an area for investment?

LARRY PAGE:

Yes, I think you must have seen the talk I gave recently at AAAS—the American Association for the Advancement of Science. It was basically about science and technology and how it really is the main leverage point in the world. We have this guy, Hal Varian, who's a famous economist at Berkeley. He'd seen the talk before I gave it and he said, "You need this one slide." The slide shows the earnings per capita, and it sort of bubbles around for a long time and then it hits the Industrial Revolution and it just goes straight up. And it doesn't stop. It's still going straight up. He said technology is the only real explanation economists have: mass production, technology for farming and so on. So it wasn't that we were suddenly so much smarter at that point in time. It's that we developed technology and we could do things without using as many people. I feel like we've lost that intuition.

We would not have been able to start Google if we hadn't had computers that were as fast. Computers, somehow, have been getting twice as fast every year for a long time. Then, all of a sudden, you can have something like Google. You can search all the world's information for free. They're ad supported. That actually helps productivity and it helps the world. I think somehow we've lost sight of that. People don't think about it that way. And there's still huge opportunity there.

I did some estimates on the number of people who graduate, for example, in the U.S. It's a small percentage—maybe 3 percent—who graduate in areas that have high leverage, areas where people develop technology that could really change the slope of that curve that's going up. I figured, if we modestly multiplied it by ten, to say, 30 percent, which wouldn't be that big of a percentage, we'd probably have ten times the rate of development that we have now of those technologies that really do affect things. I'm very optimistic because I see that by adding a few more people, we could have much greater development than we have now.

This relates to some of the things that people have been talking about here—like global-warming issues—because I'm optimistic that we can get one cent per kilowatt-hour solar/thermal, for example. I look at that and say, well, if we can do that, we can replace all the coal-fired plants really quickly, and nobody really needs to do anything else. It's not impossible for a couple of really smart technology people to figure out how to do that. So I'm optimistic, but I'd like to have many more people trying to use technology to do the things that can have a big impact.

JANE WALES:

How important is it to have political leaders that are science literate?

LARRY PAGE:

In the talk I gave, I used the example that the president of India is a rocket scientist. We actually met with him and he asked us about the language encodings that we use at Google and all the different languages in India. It's not really the conversation you'd expect to have with somebody who heads a country. It doesn't happen in most countries. You can argue about causality in India, but it's not an accident that they have tremendous information technology and all of this economic growth. Maybe that caused him to be president, maybe also he caused that, in some sense. I do think it's important. Taiwan has also had an engineer leader for a while. So I think it's correlated.

JANE WALES:

And China has had engineers in leadership positions. You've moved us, though, into the supply side of the energy problem, the question of alternative fuel. John Doerr has referred to this as the "mother of all markets." I think he thinks he ought to temper that a little bit. Is this the "mother of all markets"? Where are the real opportunities?

LARRY PAGE:

Steve Chu, the Nobel Prize winner, has a great stat: Americans have about a thousand energy helpers. So if you take the number of calories you just ate for dinner and multiply it by your other meals, you take a couple thousand calories a day, and then you take the energy use of the U.S. and divide it by all the people, there's a thousand people helping you. So there's a thousand people pushing your car, pumping the water in your toilet, and all those things like water that we take for granted, like transporting this water bottle on a truck and all that. A thousand people for each one of you. That's a lot of people.

China has about a hundred people per person, so they have a significant amount of energy. I'm sure that the developing countries have much less than that. We take that for granted, but there's a huge amount of energy that's used for good purposes. It's great to have clean water and flushing toilets and all these things we take for granted; but I think that I would turn this stuff around and say, if we can make energy cheaper, for example, by using solar technology, everyone in the world can have ten thousand energy helpers and it won't have that much effect on the world, and we'll all be pretty happy. We'll be happier than we are now, hopefully.

JANE WALES:

And are you attracted, Sergey, to wind, to solar, or are there more-revolutionary technologies that you think are around the bend?

SERGEY BRIN:

I think in the near term that wind is a good bet because it's already cost-competitive. And certainly longer term, solar, and also, of course, on the transportation side, the fuels, the ethanols. I know these are conventional answers, but I think that people are overly conservative when they estimate where these are going to end up. It's easy to see the costs today, which, by the way, are already competitive in many places; but just extrapolating some of these curves ten years down the road, and of course somebody has to do the work, hopefully accelerate it

beyond the rate of cost decline. But I think we could see really cheap, clean energy in the not-too-distant future.

JANE WALES:

Google has made a very large solar commitment in terms of your own facilities. You ought to say a word about that.

SERGEY BRIN:

I wouldn't call it "very large." It's large by corporate campus scales. We have about a third of our campus power usage that we're going to run on solar. And much of it has already been installed. Essentially, it's just not all that much more expensive. In fact, the companies that we're working with and others that we talked to, they all have better products coming down the pike, we'll be able to get cheaper and more efficient every year. But we still want to look at other areas to deploy.

LARRY PAGE:

So it's not a question of *if*; it's a question of *when*. People get confused about this, but there's a curve, a cost curve for solar, and it's been changing for a long, long time and it's relatively predictable. I think we have about a seven-year payback. We have some subsidies in place, but pretty soon that'll be a seven-year payback with no subsidy. And in that case you'd be stupid not to do it if you own the building. So it's not a question of *if*, it's a question of *when*.

SERGEY BRIN:

Most of the cost today, I should add, is not the solar panels; it's the installation—you have to get permits, and you have to have the union labor that installs it. There are a whole bunch of hurdles. And I think that over time all of those things can—as it becomes a much more regular thing to just cover your roof with solar—become more efficient, too.

LARRY PAGE:

One more point I wanted to make about wind was that there's some pretty amazing studies that show if you had a good electricity grid, wind would be hugely cost-competitive now. There's a study that says, for example, you could generate 80 percent of total electricity use in Europe if you simply had an electric grid that connected northern Africa all the way to Scandinavia. And that's actually a technically feasible thing to do. My guess is that on our current path, it will

take us thirty years to do that because all the governments have to talk to each other; but it might be a good project for some of the people in the room to try to figure out if it's worthwhile.

Wind costs about three cents per kilowatt-hour now, which is the same as coal. The catch is it's not windy all the time, and so the real cost of wind is about nine cents per kilowatt-hour because of this variability. But you get to take out all of that variability for 80 percent of your total power if you just interconnect those areas because it's always windy somewhere. And you can make up your 20 percent in many reasonable ways using peak-power generators. So that would be much cheaper than the way they produce it now, and it would be, I think, a very good thing to do. But some of these things are going to take large-scale coordination and some good, visionary new technology people thinking about how they're going to do it.

JANE WALES:

As you think about investments as a strategy—not just to make money but as a strategy for social change—what is your sweet spot? Are you looking for the sort of game-changing kind of investments that are high-enough risk that they would not attract traditional equity, they wouldn't attract venture capital, they wouldn't attract project finance? Are you willing to lose money on this?

LARRY PAGE:

I don't think that's the issue so much. I think there's a lot of money. The issue is there's very few people who are doing them. If we figured out how many people are really working on improving the electric grid in Europe, I'm sure it's a small number, if you're thinking about it strategically. But it makes sense for it to be funded and there's plenty of money available, but very few people working on it.

JANE WALES:

What about the demand side of the equation, the question of conservation technology? Is that an area that you think markets will push the process?

SERGEY BRIN:

My personal opinion is that conservation is poorly marketed, in a sense. Consider light bulbs. So you can take out a 100-watt incandescent light bulb in your house and replace it with a 20-watt compact fluorescent. In the old days, it would be too high temperature if it blew, and it would maybe not turn on quickly, but now

they're better. But I feel it's the wrong approach. You should tell the person to get a 50-watt compact fluorescent, take out their 100-watt incandescent, and then they'll get a much brighter bulb that also will save half the energy.

LARRY PAGE:

Actually, Sergey's been ordering these and they're ridiculously bright. I put one in and it blinded me.

SERGEY BRIN:

They're actually hard to get. The normal hardware store doesn't tend to carry them. They look really bright, but they're still less power than the conventional bulbs. People like to do charitable things, things good for the world because it feels rewarding, but there's a limit to *how* rewarding: "Oh, I just saved 3 watts for the world." It's not that exciting.

LARRY BRILLIANT:

Although, it's so wonderful for me having great engineers to talk to because they really deeply understand this stuff. I heard Ira Magaziner here this morning, and I thought he did a really good job. And what he was saying was that there are places where 35 percent of all the energy is just wasted. That is the definition of low-hanging fruit. And I heard Amory Lovins say—and it's a compelling image—that half of the wealth China is creating is running out of its single-paned glass windows every day. Those are compelling images that need to be looked at as low-hanging fruit.

LARRY PAGE:

I definitely agree with that, but I think it causes a marketing problem. We should focus on conservation, but I also think that if you had one cent per kilowatt-hour of solar energy, you'd have lots of swimming pools with no covers everywhere and you wouldn't care that much.

LARRY BRILLIANT:

Yes. I think it's *both/and* rather than *either/or*; and it's a timing issue. There are some things that you can do now, and it feels profligate not to do, so we try to invest simultaneously in both. We recently had Dan Reicher join us, who was Assistant Secretary of Energy in the Clinton administration—one of our Clintonistas on board. He has testified before Congress, talking a lot about conservation; but at the same time, we're trying to run an investment portfolio, doing exactly what Larry and Sergey are talking about. So I don't find a contradiction.

LARRY PAGE:

By the way, I think the energy saved by the ENERGY STAR refrigerator policies was substantially more than all the nuclear plants in the U.S.—the energy we saved by just doing a minor change to refrigerators, which had almost no manufacturing cost.

SERGEY BRIN:

I'll throw out another example. If you look at the single-pane window issue, I think you can give people a more clear benefit. Something we should probably fix here at the office. If I get up in the morning and it's nice and hot out, let's say it's 75 or 80 degrees, actually I bike to work pretty often because it's good exercise. I'm also trying to avoid emitting fuels, but realistically, I probably care more about my health. So it's the practical matter rather than the tiny amount of gas used by taking a drive. I put on something commensurate with the weather, a T-shirt, if it's hot. When I go into the office I'm freezing because it's a constant temperature, about 70 degrees or so. It's very uncomfortable, and then I have to find something to put on. And later at night, it's cold outside and you walk out and while you're reasonably dressed inside, it's freezing outside—you're just mismatched. So what you could do is let the temperature in the building fluctuate a bit. When it's hot out, you make it a little bit warmer; and when it's cold out, you make it a little cooler. I think people would be more comfortable that way. I don't think you have to phrase it as a savings for the environment; you just say it's more comfortable if you're closer to the outside.

JANE WALES:

I should point out that what he's talking about is changing from a T-shirt to a long-sleeved T-shirt and then back to a T-shirt again. Let me go back, Larry Brilliant, to your point. You noted that Dan Reicher was testifying on Capitol Hill with regard to energy policy, and there is some movement on energy policy on the Hill with Jeff Bingaman chairing the committee in the Senate. How important is it for the philanthropic community to be playing a significant policy role?

LARRY BRILLIANT:

I love these rhetorical questions. How could anything be more important, in a way? I don't know how many of you worked on AB 32; let's take a state issue, first of all. I think Google's really proud of the fact that we supported and lobbied for AB 32.

LARRY PAGE:

What is AB 32?

LARRY BRILLIANT:

It's a shirt size.

JANE WALES:

You actually should describe the legislation for those not familiar.

LARRY BRILLIANT:

It's a California legislation that requires the state of California to meet global-warming gas emission standards, and it has become a catalyst, like rolling thunder, all over the country. There are now seven other states that are using model legislation like that; and in fact part of the testimony that Dan [Reicher] was doing at the federal level was to see if there were ways that this piece of legislation could become part of federal legislation. And it was a near thing. It was one or two votes from being passed. And there are people in the room here who, with phone calls and with friends and with support, could influence one or two votes on almost any issue like that.

So it's critically important because sometimes it's like not going to vote in an election; you think your vote doesn't matter. Here is clearly a vote with fewer voters, and it matters a lot more. It's terrifically important, and on different issues it matters even more. We have a moment in time now, where I think that the state and federal legislatures are favorably disposed to making changes that will help our kids and our grandchildren live in a better world so far as climate change. We should not take it for granted that we're always going to have that favorable political climate. Things change very quickly. We should act now.

JANE WALES:

Is this a large reason for the decision to make Google.org activities be largely treated as not tax-exempt activities? Was this so that you could be more active in the policy sphere?

SERGEY BRIN:

Basically, it's because many with whom we spoke in the process of setting up the .org and even prior to that, and many of the organizations that we met with have regretted, perhaps, their choice of structure. A lot of organizations

felt they'd rather have more flexibility. And we were pretty far down the path; in fact, we did create Google Foundation, which was a 501(c)(3), but that's now just a portion of Google.org. We found a lot of peers, who are present here and elsewhere, who gave us the great advice, before everything was finalized, that we would want the flexibility; and we've been enjoying it.

LARRY PAGE:

Residuals are profitable, so the tax difference is not as significant for us.

JANE WALES:

I wanted to just turn to how you leverage search engines to engage the public, educate the public, put them in a position to be making smart decisions. But first say something about the conscious application of search technology in the case of INSTEDD [International System for Total Early Disease Detection], Larry Brilliant. We're now shifting to the topic of public health and the ways in which you can use information technology for early detection and response, so tell us about INSTEDD.

LARRY BRILLIANT:

Bill Foege, who is in the audience, was my mentor in the smallpox eradication program, and he created a novel way of dealing with disease control programs, in this case, eradication, which was to find every single case of smallpox on the planet Earth at the same moment in time and then respond to it by vaccinating people or quarantining them, and put a circle of immunity around every case. So search, surveillance and then containment, which led to eradication of smallpox, is a similar strategy to that which is being used by the Carter Center in guinea worm and is being used by the World Health Organization [WHO] in polio eradication.

And I watched what happened with SARS, with that background in mind of "find every case and then respond to it," as opposed to try to vaccinate everybody in the world. In the case of smallpox, if there were an epidemic of smallpox in Tokyo, God forbid, we would not have to vaccinate in New York. You have to put your vaccine where the disease is. So in the case of SARS, it took us an awful long time for there to be a recognition of a new communicable disease, a corona virus in this case, a virus that happens to have its real home in bats. It then got to civet cats, and then people ate those civet cats. So it seemed like a really long time; and it gets very disquieting when it takes one, two, three, four, five epidemiological generations to find the disease, which grows logarithmically. It's a good thing to get there quickly.

What we watched with SARS was it took almost nine months for the government of China to announce that it had a case of SARS. But there was a Web crawler in Ottawa that had detected SARS six months earlier than the Chinese government had actually announced it. And that was because they were trolling a very small number of Web sites—twenty thousand, it turned out—and a very small number of languages. And they found all this chatter about this new disease. This same Web site called GPHIN [Global Public Health Intelligence Network] was able to locate bird flu in humans in Iran six months before the government of Iran notified of it.

So that led to the idea that the tremendous investment that Google has made in search technology could be used for finding novel diseases and, in fact, pandemics or almost pandemics, or new epidemics, or even any other kind of imminent disaster earlier than before. And we then use the other technology that Google has—Google Earth—to visualize the disaster area, to be able to use some of the tools for collaboration and communication, to do almost an event management system.

So we're working on this with a group—a nonprofit that we started—and Judy Rodin, the co-funder from The Rockefeller Foundation, and many other people here in this room have been tremendously supportive. We have about thirty disaster response organizations that are working on, or are partners in it, and six or eight different technology organizations working on it. And our hope is to take this technology—and all the technology that Silicon Valley has produced—put it together, and make it as a gift to the disaster response community so that we can deal better with disasters.

JANE WALES:

I should note that Tim Wirth, when he was Undersecretary of State for Global Affairs, led an interagency process to try to develop an emergency surveillance and response network much like this. This has been something that's been on the minds of political leaders for a long time, and it's a question of capturing what the private sector has to offer here. That is a kind of "focus on the user and the rest will follow" approach. Those who know about the disease will sometimes not be a doctor or someone in a local clinic. It may be a schoolteacher who sees the patient present, the student present; it may be a ship's captain; it may be the pilot on an airline because the disease may manifest itself after the person has boarded. So this is an opportunity to share information.

LARRY BRILLIANT:

What's happening as a result of all these community-based information services—Google is one, eBay's another, there's a lot out there now—is that it's become much more reliable and much more almost expected that citizens will have the ability to report things they see. You all do it. You're driving on the highway, you see an accident, the first thing you do is you reach for your phone, you call 9-1-1, and you say, "Hey, I don't mean to bother you, but I just saw this." It's almost becoming a reflex now. Twenty years ago that wouldn't have happened. So what we've seen, I think, is a change in the way that the official reporting networks view what used to be unofficial information.

Before SARS, 100 percent of all of the disease reports that reached the United Nations World Health Organization came from governments. That was the law. There are 193 governments that are members of WHO. The same thing's true for all the other UN agencies, where the information that they received about a disaster had to come from a government. When GPHIN was able to detect SARS and then bird flu earlier, the result was that 70 percent of the outbreak information reaching WHO came not from the governments but from individuals who were reporting through these technologies, these trolling services. That led WHO, for one, to change the world health regulations so that beginning in June 2007, for the first time legally, WHO will now be allowed to receive information about new outbreaks, potential pandemics and other catastrophes from individuals. The technology is changing the way in which the traditional system works, and I think that's an amazing, bottom-up, revolutionary change in the way we process information.

LARRY PAGE:

But they had to change a law to do that?

LARRY BRILLIANT:

They had to change a law to do that. They actually had to change the world health regulations, which are codified every May when all the health ministers of the countries who, for all intents and purposes, are the shareholders and the board members of WHO, meet.

JANE WALES:

I want to ask Larry and Sergey about Google Earth and about what you think its impact is. I think most people in this room know about Google Earth, but what's interesting is how it can be used for environmental purposes, to understand the environmental impact of actions. Are we tracking that? Do we have a sense of how it's being used?

SERGEY BRIN:

Well, Google Earth can be used for environmental issues, or for social and political uses. It's just incredible, and that's why I fell in love with it prior to Google's buying it. It was Earth Viewer before, and the company was called Keyhole. But it's just incredible how much more information you can get. Now don't forget, there have been airplanes and satellites imaging the Earth for a long time. The problem is that that imagery wasn't connected to all the people who could make use of it. That's where you have a tremendous inefficiency because you have this incredible amount of information. But before, you had to contact this agency, and it cost you \$100 to get one view; it was very expensive. So maybe large companies and government agencies would occasionally do it, and it would be really a waste.

Now so many people can use it for so many different things. Whether it's a humanitarian crisis, like the earthquake that we had near India and Pakistan a little while back, or Katrina, or any number of things, environmental issues, people use it to buy real estate actually, you need to consider those aspects, too. If you can now look at other parts of the world and anybody can look at them, does that help create a better market for real estate, or for vacations, or for any number of things? I was very excited that the Keyhole folks unlocked that information; and we acquired them and helped fund them to do that even more broadly.

JANE WALES:

In the beginning you said you hoped that Google.org's impact would ultimately eclipse Google itself. Now Google itself keeps raising the bar, making it hard to eclipse. But do you see that day?

SERGEY BRIN:

Yes, I think so. You know today almost all of our products touch only those people who have Internet access. And we have a number of things that work for SMS [Short Message Service aka text messaging] and mobile, and so that

touches a somewhat broader community, but it's a reduced functionality. And it's not just Google.org. Unless Google.org, together with all of you, can really make Internet access—information access—universal, our products are not really going to be able to touch most people effectively, and that's why it's so important, and I'm very optimistic about it.

LARRY PAGE:

I was going to say, I think it's really daunting to be in this room because by definition all of you have been working for a long time, longer than us, probably, on intractable problems. They're by definition intractable problems because they're the really important ones that haven't been solved yet, right? And they're important enough that they would have been solved if it were easy to solve them. And so I'm a little bit daunted by that. I think the good thing about what we're trying to do is that at least we'll be a part of that group that's trying to do things that could make an impact. Once your goal is to make a major impact, there just aren't that many people doing that. So if your goal is really to change the world, you don't have that much competition. In that way I'm hopeful, but also realistic that these are very, very difficult problems that this community has all worked on; and I think it can take a long time to make traction, but maybe over a long period of time we can do something really significant.

JANE WALES:

Larry, when you got the TED prize, you were given a wish to change the world. Is your wish being fulfilled?

LARRY BRILLIANT:

In India they have several different tenses that we don't have. In Hindi my favorite tense is not the past-present, it's not the future-perfect, it's not the present—it's the continuous present. So in India, if you ask somebody if your tea or your food is ready, they will always say, "just now coming." I guess I feel that way about my wish, which is that on one level, because I'm a geek at heart, I'm like a kid in a candy store here, and I've got some phenomenal people to work with. So I have all these tools that I never dreamed that I'd be able to use for the TED wish. It's a very different kind of place, and this is a very different kind of product. It's very difficult, as Google likes to launch early and often. And as Larry was saying, when you're dealing with some of these humanitarian issues, you can't launch early and often. It's a different process. So I think the convergence of these complicated, intractable problems with the minds and the energy and the tools at Google has given me a chance to see far beyond my original wish, and I love it. I absolutely love it.

JANE WALES:

For the past day, and for two days ahead, we focus heavily on market solutions to these large problems. But in fact some of the problems we face are not responsive to market solutions—problems such as genocide in Darfur. And I wanted you to show us how Google Earth is used to advance understanding of that issue in particular and let us close for the night.

LARRY BRILLIANT:

Let me invite Megan to come up and tell you about it—Megan Goddard, who's from Google Earth. Some of you have seen on the news recently a Google Earth product that's been used to help visualize Darfur and the tragedy there. And I think under the overall guideline, which is that bad things happen in places that have no light and in the middle of the night, the more light you can shine on something, the more antiseptic it is. Megan, can you tell them what you've been doing?

MEGAN GODDARD:

My name's Megan Goddard, and I am a member of the Google Earth team. I have the honor of working with the United States Holocaust Memorial Museum. We've been working with them for about a year and a half; it was actually a 20 percent project [a Google concept in which engineers can spend 20 percent of their time working on their own projects] with Andria McCool, to try to describe what's going on in Darfur.

Here the Google Earth map shows the Darfur region. Our first objective is just showing everybody where Sudan and Darfur is. There are also a few different collections of icons. This is an actual photo of two people in a refugee camp in Chad. An introduction pops up when you click on it so that people can read about what they're looking at. Another collection of icons represent villages. The orange ones represent damaged villages, and the red ones represent villages that have been completely destroyed. This data was collected from the U.S. government. Here was one specific village that had 870 structures, and it's considered destroyed. Each one of these circles represents somebody's house.

The other thing that's included in this is a collection of photos. And I have to say, nothing tells a story like a photo or a picture. There are links where you can download additional information: testimonies from Amnesty International, more photos and videos.

We're hoping that people see this and want to take action. I want to emphasize that this information was curated by the museum. They worked with many different organizations, photographers such as Mia Farrow and the U.S. State Department to get the locations of the maps. So this is a real collaboration, and we were fortunate enough to be able to help them, to be able to put this in. To me, this is how we can leverage information and technology to promote awareness and inspire action for social change. Thank you.

LARRY BRILLIANT:

Thank you, Megan.

JANE WALES:

I think the lesson of this gathering is often that we have a conscience, we have values, we have resources. Sometimes all we need is information so that we can act collectively for the public good. So thank you all.

PLENARY FOUR



UNUSUAL ALLIANCES TO HALT CLIMATE CHANGE

**KENNETH A. COLBURN, ERNEST C. SHEA, THOMAS R. JACOB, BILLY PARISH,
RICHARD CIZIK**

THURSDAY, APRIL 12, 2007

KENNETH COLBURN:

Many of you in the room know Stephen Heintz, the president of the Rockefeller Brothers Fund [RBF]. You know that he's tall, handsome and articulate, so you know that I'm not him. I'm Ken Colburn from the Center for Climate Strategies, and I'm pleased to be here in his stead. Stephen has been working on another effort, this one with Bill Clinton, concerning Kosovo. Stephen and the president had a conflicting meeting on the East Coast, and for Bill Clinton to be with us tomorrow, Stephen had to cover that meeting. So, having worked so hard to get climate change on this plenary venue, Stephen unfortunately can't be with us. The good news is we get Bill Clinton; the bad news is we lose Stephen Heintz. But I'm very pleased to be with you to stand in his shoes, however inadequately.

In terms of introduction, you all know that the breadth and the scale of climate change makes it the "mother of all concerns"—certainly all environmental, and certainly all quality-of-life concerns. Basically, there is nothing that you care about that climate change can't, and indeed won't, make worse. And, unfortunately, climate change is becoming less and less of a generational challenge. I've always marveled that we could look back sixteen generations and say things like, "My ancestors came over on the Mayflower." But we couldn't look three or four generations ahead to see what was going to happen in terms of our climate. Well, we're "solving" that problem; now it's only one or two generations ahead.

Jim Hansen [Dr. James E. Hansen, head of NASA Goddard Institute for Space Studies, expert on climate change] tells us we have ten years, and we maintain a fantasy that that's a rolling ten years. In fact, he said that over two and a half years ago, so we've already used about 30 percent of that window. Tragically, the United States has shirked its global, and indeed moral, responsibility to address this threat; but thankfully this federal policy void is being filled at the state and city levels by institutions, by businesses, by organizations and by individuals—basically unusual alliances—who are advocating for real action. And we're at a critical moment. The Intergovernmental Panel on Climate Change indicates that we're already seeing changes in our world and that those changes will impact the poor disproportionately—as they said on Marketplace [a public radio program] the other day: climate change is the greatest market failure of all time, where the beneficiaries don't pay the costs, and the costs are borne by those who weren't

the beneficiaries. China will soon surpass our greenhouse gas emissions; and without U.S. leadership on climate change, there's almost no hope that they'll pursue a different path or develop any more sustainably than we have.

People are waking up to the threat of global climate change. We have the Oscar-winning film *An Inconvenient Truth*, and the U.S. Climate Action Partnership; there's the TXU deal [in which the buyers of TXU corp. committed to increase energy efficiency and decrease emissions]; there's the Supreme Court decision [Massachusetts et al vs. Environmental Protection Agency affirming that EPA can regulate carbon dioxide emissions]—so climate change is now clearly in the public consciousness. And, at long last, Washington is starting to take climate change seriously. We need to make sure that when something does arrive on the president's desk, it's up to the task. So now is a perfect time for this group of global philanthropists to engage on climate change and indeed engage even more forcefully on this issue.

Stephen Heintz isn't here, but under his leadership Rockefeller Brothers Fund has navigated the climate issue through a triangulation of three key elements that will come through clearly in our panel. The first is urgency, which I've already spoken of. The second is the fact that solutions are here today. This isn't tomorrow; it isn't rocket science. More invention and innovation is evident every day; and one of the major impediments to actions—the myth of economic harm—is increasingly being discredited. As Michael Northrop [program director, Sustainable Development], also of RBE, says, “Nobody has actually lost money undertaking climate action.” Our panel will demonstrate that climate action in fact poses far less economic risk than climate *inaction*, as the Stern report [*The Economics of Climate Change: The Stern Review* (Stern, 2007)] indicated. When it comes to climate change, we're already seeing winners go to market—and losers go to Washington. The third element is that a broad array of unusual alliances is rapidly coalescing on climate, as you know and as you can see from our panel. It's not just the usual suspects anymore, but a wide-ranging array of constituencies that encompasses students, evangelicals, farmers, investors, energy entrepreneurs, hunters and fishermen (the “hook and bullet” crowd), builders, governors, executives—even leaders of our military forces now understand this threat.

So I'm very pleased to introduce this panel, which together reflects the variety of Americans who are now pushing for a political tipping point on climate change before we see a physical tipping point in our climate.

Over the past two years, farmers have come to understand that they have a big role to play in America's energy future, not just in its food supply. Led by highly

respected and well-connected agricultural leaders, an ambitious initiative is building in Washington that will enhance energy efficiency, strengthen national security, revitalize rural economies and protect the environment. Called 25x'25 because of its aim to source 25 percent of America's energy needs through renewable agricultural sources by 2025, its project coordinator, Ernie Shea, is with us today.

The world's best-managed businesses have leaders who understand both the risk of climate change and the opportunity it presents. A number of these leaders have stepped outside their boardrooms and expressed their concern and publicized their actions. Much of this action has already happened due to the tremendous leadership of early movers like DuPont, which recognized more than fifteen years ago the threat and the opportunity posed by climate change, and that acting on it could be good for the bottom line. Now dozens of Fortune 500 companies are following suit. Tom Jacob is here to tell us DuPont's story.

Today's youth represent the first generation that will suffer serious direct climate impacts, that will raise their children in a markedly different future world. As a group they'll be the most directly affected, and they can be expected to care the most passionately. The Energy Action Coalition, which organizes its work among youth through the Campus Climate Challenge, is focused on mobilizing eighteen- to thirty-five-year-olds to build a generation-wide movement to halt global warming. We thank Billy Parish for joining us from the Energy Action Coalition.

And evangelicals have been perhaps the most visible new constituency on climate change. Many of you have seen the evangelical climate change statement and call to action that was released a few months ago; it is arguably the most powerful sign today of the impact of new voices calling for federal action on climate change. It was not without its critics, as you no doubt also know. Richard Cizik is here from the National Association of Evangelicals to talk to about the challenges and the opportunities in engaging this critical community.

And then, finally, I'll bookend the panel and close myself, discussing climate action at the state level, from the perspective of the Center for Climate Strategies, where we engineer politically safe and analytically sound ways for governors to "come out" on climate change. I should note that there are a growing number of cities also taking action. Through the ICLEI program—the International Council of Local Environmental Initiatives—more than 250 cities have committed to and are taking action to reduce their emissions. So with that, I appreciate our panel joining us today. We will present in the order I just read, so leading off please welcome Ernie Shea.

ERNEST SHEA:

Thank you very much, Ken, for that kind introduction—and good morning everyone. I want to thank Stephen Heintz for the opportunity to participate in this panel. I think it really does speak volumes to the fact that although we may be a diverse group, we're all heading toward the same general goal. My job this morning is to visit with you briefly about somewhat of an unusual alliance that is growing out of the agricultural and forestry sectors.

About three years ago, at the invitation of Tim Wirth at the United Nations Foundation, we brought together a group of agricultural leaders and began to think through how big of a role the agricultural sector could play in a new energy economy, in a new energy future that was emerging. And that essentially is the origin of the 25x'25 project. We began, through the support of the UN Foundation and the Energy Future Coalition, with a group of about fifteen leaders; and our objective really was to think through and explore this new energy future, particularly focusing around the economic, environmental and national security outcomes and benefits that a new energy future could provide. And we did so, very deliberately, through the lens of production agriculture.

This was certainly not the first time that a group of leaders came together to talk about what role agriculture and forestry can play in helping create a new energy future, but what was unique—and I think this goes back to some of Tim Wirth's insight and brilliance in terms of bringing coalitions together—is that he stepped back and said, "Let's listen to what agricultural leaders themselves think." Previous to that, there have been any number of initiatives where leaders who perhaps were interested in agriculture but not part of agriculture came together to explore this new energy future question, but they ended up coming from a different place; they didn't have the same experience base that core production agriculture leaders had. This was a fresh start to take a fresh look.

We ended up, in our early stages of discussion, spending about six months asking some very basic questions of this leadership team. We asked them to take a look at what's happening today and to try to get their arms around what they see. We also asked them to look into the future and to reach out—perhaps as much as seventeen or eighteen years—to the time period 2025 and take a look at what it might look like at that point in time in terms of energy production systems. We then asked them to explore what role they can play, how big might it be and what would have to happen to get them to that point.

The group quickly concluded, as most other constituencies have, that we aren't in a very good place right now, that the current fossil-based energy systems that

we've grown to depend on are not sustainable. Costs are rising, supplies are limited, supplies are located in very volatile parts of the world, costs are escalating, and, this leadership team also observed, we are experiencing serious and significant environmental challenges resulting from the emissions of burning fossil fuels. So it created a backdrop for them to say that we don't like where we are today, and it provided a bridge to talk about where they thought they could fit in.

What came out of this amazed me as their facilitator because this leadership team, in small-group discussions and then in subsequent follow-up meetings with any number of folks around the country that represent the heart and soul of production agriculture and forestry, came back and said, "We're part of this future. This isn't a challenge; this is an enormous opportunity." And they described it as one of historic proportions that they thought they could participate in and capitalize on.

As a result of their dialogue, they constructed a vision of the future, and their vision has now become known as the 25x'25 vision. Simply stated, they believe that by the year 2025, America's farms, ranches and forests will be producing 25 percent of the total energy that's consumed in the United States, and they will be doing that while producing food, feed and fiber. Our leaders were very deliberate in constructing this vision statement. It was not taken lightly. They firmly believe that they have the capacity, thanks to advances in technology, thanks to changing economics, to not just be defined as a sector that produces food and fiber but increasingly, going forward, the sector that's known as the four Fs: food, feed, fuel and fiber.

This vision came to light in early 2005. It was then further tested with any number of organizations in the agricultural community, and we continue to have this dialogue around a new energy future and the benefits that could flow out of it and how agriculture and forestry could fit in. Obviously, it's mostly about renewable energy, but it is also about climate change. Today we have grown and evolved to the point where there are more than four hundred organizations participating and endorsing. We have eighteen state alliances. The vision has been picked up on and endorsed by over a hundred members of Congress, by twenty-three governors and by six state legislatures—and it's continuing to grow and build.

I think what makes us unique, though—and this gets back to the focus of the talk this morning—is the fact that we are somewhat of an unusual alliance. We are a diverse alliance made up of any number of sectors and organizations. Groups like the American Farm Bureau Federation, ranging all the way over to

NRDC [the Natural Resources Defense Council], to Worldwatch, to the big-three auto manufacturers, to the organizations that represent labor, religious, and business sectors and communities. These organizations have come together and are actually making the vision come to life.

We're now working to go to the next level, to strengthen our presence at the state level. Thanks to the Rockefeller Brothers Fund, we now have a presence in eighteen states, and we're looking to expand that to at least another dozen by the end of this year. We have proceeded forward and developed an action plan that will actually carry this forward and bring this vision to life. But this is the harder part—of agreeing not just on a vision but on an action plan to get there.

Let me wrap up and close with just a couple of observations, what I think represent the keys to success of new partnerships, of unusual alliances. There are five quick points I would mention that I think represent why 25x'25 has proceeded to where we are today. And they are guiding principles.

We begin with relationships first. We work with people. We establish trust relationships that allow for productive dialogue to occur. That's not an easy thing to do, but it's a critical first step to go forward.

We then begin a dialogue around what's in it for you. Not what's in it for me, but what might *you*, in *your* community, the constituencies, get out of a new energy future. We probe it from this standpoint because that's what motivates people to get involved: it's not what *I* want, it's what *you* want.

The third key point we work toward is creating ownership so that the 25x'25 vision is not "our" initiative, it's a *collective* "our" initiative. It's grounded in the guiding principle that what you're in on you're not down on, so we work very hard to create ownership.

Fourth, we work first and foremost on creating consensus around the goal, the destination. We call that the *what*. We then move to the *How do we get there?* But if you don't have a clear sense of destination, such as the 25x'25 goal, you're drifting and you don't really know where you're heading. For us 25x'25 is the common goal that defines a new energy future for the nation and it defines what unites us. Every time we get stuck, we go back and refer to what unites us—that goal.

Fifth—and this is perhaps the most difficult part—is when you get into the tough dialogue, we approach it from standpoint of the "yes if" principle, not the "no because." When we brought this very diverse group of stakeholders together, everybody had different ideas. We asked them to be respectful of each other and to begin with the assumption that *Yes, I can agree with you* but to follow it

with *if these things happen*. That is fundamentally different from what usually takes place, where you begin defending your position and approach it from the standpoint of *No, I don't buy into that, because...*

I believe those five guiding principles form the foundation of this 25x'25 alliance that we're working to continue to grow. We would look forward to working with any of you to continue to build this movement so that together we can create a healthy, clean new energy future for the nation. Thank you.

KENNETH COLBURN:

Thank you, Ernie. The “Yes, *if*” principle is good advice for all of us, isn't it? Tom Jacob from DuPont.

THOMAS JACOB:

Thanks, Ken, and thank you to the Global Philanthropy Forum for including us. What I'd like to do is describe for you the journey that DuPont has been on, and I'd like you to consider that journey in the context of the journey that the larger social community that we're a part of is currently on as well. Let me begin with climate change, the topic of this conference.

The science around climate change evolved out of the science around ozone depletion. As the number one producer of chlorofluorocarbons on the globe, we were deeply involved with that; as a result, our science was deeply involved in understanding that problem, coming to terms with it and delivering a solution. But as the attention of the global scientific community shifted from ozone depletion to larger concerns around the impacts of manmade chemicals on the atmosphere, our science was right there. Our scientists were there, and they delivered the message back to management in 1991 that the science was becoming very strong, and they argued very strongly for prudent action. We began reducing our greenhouse gas emissions at that time.

Since then we've reduced our emissions from our global operations by more than 72 percent. That's a very large figure. We had a unique mix of both energy-intensive industries and a number of chemical processes that delivered amounts of greenhouse gases that were not CO₂, not energy based; but we set about systematically reducing those and accomplished some very significant results. Along the way we also reduced our energy consumption to the point where we saved ourselves about \$3 billion. This is not inconsequential activity. That early action positioned us to be very much a part of the global dialogue that evolved during the 1990s, and it's positioned us to be part of some unusual alliances as the United States has awakened to this problem more recently.

Earlier this year, the U.S. Climate Action Partnership, of which DuPont was a founding member, urged Congress to take action to bring greenhouse gases under mandatory control in the United States. That partnership between DuPont and a number of other major corporations—Environmental Defense, the World Resources Institute, the NRDC—is an example of the constructive engagement that is increasingly characterizing the industry. We've also been involved in the Ceres Network. We believe that government will occupy space here; it will have to. We think as part of the agenda there has to be credit for early action, so we encourage more and more in the community to take action in advance of those regulatory environments. We think that the use of market mechanisms to minimize economic drag and to maximize efficiency across not only our economy but the global economies, is going to be important to that long-term solution.

But the attention to climate by our company is just one manifestation of a larger change. Today, DuPont describes itself as applying science to deliver sustainable solutions. We are a very different company today than we were twenty years ago. That difference really began about the time that we committed to greenhouse gas reductions in the early 1990s. The greenhouse gas targets we put before ourselves were one of a number of environmental targets that we set before the company globally. At that time we were oriented largely to reducing our footprint on the environment. We've accomplished a lot by setting those goals, measuring our progress and systematically chipping away at them. We had always been a leader in health and safety in the workplace. We've reduced our major incidents at our chemical manufacturing operations by more than 90 percent. We've reduced air toxics, we've reduced air carcinogens, hazardous waste, TRI [Toxics Release Inventory] releases and of course our greenhouse gas reductions.

But the important point is that while all that was going on, our company was transforming itself in a much more fundamental way. Our business portfolio was transformed radically. It's the third transformation in our company's two hundred years of existence. We started out as an explosives company—black powder. We applied science to the development of that industry. That evolved into a focus on chemistry, which carried us through the last century, and for which many people in this audience probably recognize DuPont. But in the past fifteen years, we've become much more of a biology company, a company focusing its science and expertise and innovation in the realm at the interface of biology and chemistry, and our business portfolio reflects that. Science and technology innovation are at the center of all of our businesses. We are deeply involved in the agricultural enterprises that Ernie was alluding to. We own

Pioneer Hybrid, one of the largest and most forward-thinking seed-producing companies on the globe.

We're also deeply involved in areas of industrial biotechnology—biofuels—substituting renewable factors of the enterprise for petroleum-based factors of production. We have a leadership position in the development of cellulosic conversion. Biobutanol is a fuel that we think will greatly enhance biofuels and their place in this new environment. Where are we taking this? We're continuing to reduce our footprint in greenhouse gases, water conservation, fuel efficiency of our on-road fleet and air carcinogens. Importantly, we are also driving our businesses to be part of the solution down their value chains.

We set 2015 goals last year for our company, and they include environmentally smart market opportunities for our research and development (R&D). We have a \$1.3 billion R&D budget, and we've committed to double the investment in R&D that will directly, quantifiably impact environmental performance for our customers and their value chains. We've committed to grow revenue by \$2 billion from products that reduce energy consumption and greenhouse gases. We've committed to double the revenue we receive from non-depletable resources to more than \$8 billion. We believe that the global community is on an evolutionary path toward a more sustainable future, broadly, not just in climate change. And we see an enormous business opportunity in harnessing our science and innovation to help enable that transformation.

To the point of this conference and the investments of your enterprises, we believe that orienting those investments to more consistently deliver more-sustainable solutions, not just in climate change but more broadly, will also enable that evolutionary transformation. It will help create an environment in which science and technology can truly be liberated to take on and make a meaningful difference in challenges such as climate change. Thank you very much.

KENNETH COLBURN:

Thank you, Tom. Please welcome Billy Parish from the Energy Action Coalition.

BILLY PARISH:

Good Morning, everyone. It's an honor to be here with all of you, and I want to thank Stephen Heintz for inviting me to be on this panel to bring the youth voice to this critical issue for our future. I'm here as the coordinator of and representing the Energy Action Coalition. Because I couldn't actually bring our coalition here with me, I wanted to show a picture of our coalition in the most

recent *Vanity Fair*. Behind each of these faces are a few things. One is a very excited family that has cleaned out their local neighborhood newsstand of all of the *Vanity Fairs* and is telling everyone they know about their kid being in *Vanity Fair*; mine included. But there's also a story of a young person who against all odds has chosen to make climate their life's work and has chosen to give themselves to this work. And behind all of these individual stories is a larger story of a generation that is beginning to discover its great work—and this generation is quite literally the future. Each of these people also represents one of the twenty-four organizations that have come together to work on the Campus Climate Challenge.

Three years ago these organizations came together to create a more unified youth climate movement, and, as Ernie's coalition, it's a very diverse coalition of groups all across the United States and Canada that are working with young people. And we've come together, recognizing the scale of the problem that we face and realizing that we need to work together and collaborate to build the kind of movement to the scale that we need to solve this problem.

Stephen gave some quick advice for this panel. He said to focus on three messages that I wanted to convey.

The first is that schools should be a critical part of this transformation that we want to see, and schools are beginning to change very rapidly. Some of the reasons why schools are important are obvious, but I'm going to go into them quickly. For one thing, they are a training ground for all of the future leaders in our country and around the world, across every discipline in every area. Colleges alone have more than 18 million young people that they're training, and K-12 schools have many times that number. Schools are also centers of innovation in our society, in technology, policy and behavior; and they're important economic actors. They are models for cities and for the communities that they're in; and the \$330 billion in endowments that they have and their annual operating expenses are significant. They're also vulnerable institutions in the sense that good student organizing can change them. As any good campus organizer knows, if you run a good campaign at a school, you really can transform that institution. A key part of making our broader society a sustainable society will be looking at what institutions we can change to get there; and schools are one of the institutions that can most easily be moved in that direction.

Some things have already happened in this movement so far. Just this school year, hundreds of schools passed climate and sustainability policies, hired sustainability coordinators and designed new courses in climate. Two years ago the most aggressive climate policy yet was passed by Cornell University, which

was a 7 percent reduction below 1990 levels in its greenhouse gas emissions. And just this year, 150 college presidents committed to making their schools climate-neutral, that is, having no net carbon emissions. This is a major change; it includes the whole University of California system, many of the largest state institutions around the country and the L.A. Community College District. Our coalition has created a campaign called the Campus Climate Challenge to coordinate and support this student organizing. Already 554 student groups around the country have joined this campaign, and we have more than sixty full-time staff supporting students who are doing this work, transforming their schools into models of sustainability.

The second point I wanted to make is that I believe this country is ready for a mass movement on global warming. We need to pass policies that will make emissions peak and decline over the next ten years and be reduced by 80 percent by 2050, as we heard on the panel yesterday. But our politicians aren't there yet. One of my favorite quotes is by David Brower, one of the founders of the modern environmental movement. He said, "Politicians are like weather-vanes, and our job is to make the wind blow." For the past twenty years, I think we've done a very good job prepping the policy and the science and technology—the legal pieces of this movement. In the past couple of years, we've seen a number of new constituencies get involved, but what the movement hasn't had is the *movement* piece. The largest climate rally in this country so far is a thousand people. *What does a mass movement on climate look like? What are the tactics that it will use?* These are important questions that I hope many of us in this room will begin to engage in.

I think this movement will look different from past social movements, but there are a couple of things that are going to be key. One is investing in infrastructure for building this movement. I think that college campuses are an incredibly important part of that infrastructure; but we should also be looking at what other organizations and institutions can be engines of this transformation. We should look at cities, churches and community groups and invest in the organizations that are working with those institutions.

A second key piece will be engaging citizens in meaningful action. We need to do more than ask people to write a check to our organizations or write an e-mail to their member of Congress; we need to ask them to actually *do* something, to be involved in meaningful action. We need a citizens' movement. One of the most meaningful examples of this beginning to happen is the effort called Step It Up, launched on April 14, 2007. At iconic places all around the country that are threatened by global warming—places like the coral reefs off the coast

of Florida or Glacier National Park—people are coming together and calling on Congress to reduce emissions by 80 percent by 2050. There are more than fifteen hundred actions and events all around the country, so it's really a call that people have accepted.

The third piece is to encourage leadership from young people in the communities that are already being affected. Movements are driven by the people who have the most at stake, and people of color and low-income communities are disproportionately affected by this issue. We need to bring these communities and constituencies to the table when we're making decisions about the future, and we need to equip them with the resources to defend themselves and to build the kind of future that they want to build.

The last point I want to make is that we need to invest now in *people*. We heard yesterday about the need to invest 1 percent of the gross domestic product [GDP] now to put off a potential 20 percent GDP loss in the future; that came out of the Stern report. As a society, we are leaving our children with a huge economic debt: a nationwide average of \$20,000 in college loans upon graduation, an insecure job market for our young people, ballooning national debt and crashing entitlement programs. But even more significant, we are on the verge of leaving our young people with an ecological debt that may be devastating and irreversible. We can stop that, but we need an immediate investment now in clean technologies. We need to put a price on carbon; but even more important we need to invest in people and put them to work.

There is a lot of work that needs to be done. There are 30 million low-income homes that need to be weatherized or retrofitted. We have crumbling schools that need to be rebuilt in a sustainable way. We have an inefficient and vulnerable transmission grid system. Previous generations have been called to service in times of national crisis: to the military service in times of war, to public works service like the Civilian Conservation Corps in times of economic depression and to the Peace Corps in times of threatening international tension. It's time to call this generation to service to meet the great crisis of our time: the climate crisis. I think young people in particular will heed this call.

In 2005 more than 70 percent of college freshmen reported having volunteered weekly during their senior year, and college graduates are flocking in unprecedented numbers to public service jobs. If these service-inclined young people were given the chance to be front and center in a serious effort to stop global warming, they would jump at it. They are, in fact, the greenest generation. And at the same time, a number of people from the baby-boom generation can get involved in this work and build a more sustainable world for their children. So I

say let's call this country to service; let's give them the tools they need to make a difference; let's begin to heal this intergenerational divide and build a more sustainable world together. Thanks.

KENNETH COLBURN:

Thank you, Billy. What Billy didn't tell you is that this movement is overwhelmingly being done digitally. We can all take a lesson from Billy and indeed no doubt will in the near future about this technique. Now please welcome Richard Cizik.

RICHARD CIZIK:

Good morning, everybody. It's a delight to be here. I would like to say a few very brief things and I'll keep under my time limit.

Let me begin with a story. Let's say it's an American (I institute the word *evangelical* when I tell this in churches). It goes like this: A man is in his Jeep Cherokee going over hill and dale. In the midst of nowhere, he slams on his brakes, gets out of his Jeep Cherokee, and walks over to the man standing there tending his sheep, a shepherd; and to the shepherd, he says, "If I can tell you how many sheep you have, can I have one?" And the shepherd is totally dumbstruck; he doesn't know what to say. He says, "Of course!" And so the American, the evangelical, whomever, walks back, gets into his Jeep Cherokee, gets on his GPS (in our community we call that God's positioning satellite), and within a moment he has a ream of papers; he walks over to the shepherd and he says, "It's very simple, sir, you have 1,638 sheep."

And the shepherd is just struck dumb; he says, "That's amazing! How did you know? Go pick one out." So the American goes over, picks one out, and he gets back to leave; then there's a knock on his window, and the shepherd has walked up and he says to him, "Sir," he says, "if I can tell you what you do for a living, can I have my sheep back?" And the American says, "Wow, I guess so, one good turn deserves another." And the shepherd says, "You're a consultant." And the man says, "Wow! How did you know?" The shepherd says, "Well, you came into my world out of nowhere, you answered questions that I've not asked and charged me a lot of money for it." And then he says, "By the way," he says, "you don't know diddly-squat. You took my sheepdog." Every good conference deserves one good story.

I am a lobbyist in Washington, D.C. for the National Association of Evangelicals [NAE]: sixty-four years old, forty-five thousand churches, 30 million members of a community that is 100 million. Twenty-five percent of all adult Americans are evangelicals, according to the recent surveys. And they have a conundrum

unlike other Americans. This problem is reflected in this issue of climate change. If you look at the opinion polls, only 37 percent of evangelicals believe that climate change is human-induced. If you compare that with the GOP Congress, exactly 37 percent of the members of Congress who are Republican believe it is human-induced. That is a reflection of why climate change is one consequence of the age-old religion and science debate.

And yet things are changing. I would like to suggest to you my strategy, and that of the NAE, along with, interestingly enough, Edward O. Wilson who has a Ph.D. from Harvard and two Pulitzer prizes, along with many other awards. We have come together on behalf of religion and science, the two basic paradigms in this country, to do something about this issue.

Wilson has written a new book called *The Creation: An Appeal to Save Life on Earth*. In the book, and I would recommend it to you, he says do three things. First, have a vision, and cast that vision. That's what we've been doing about this issue. We call it, by reframing this issue, "creation care."

It's a biblical stewardship responsibility that these 100 million people have, and you have to make the connection to climate change. Since 2004, we've moved the percentages of evangelicals in this country who believe that this is real and will impact them and their kids from less than 50 percent to over 80 percent in just three short years. And that is part of casting that vision.

We have done this through cognitive liberation: you have to persuade people that they can do something about a problem. Cognitive liberation is turning a switch in their heads from, "Climate change is going to happen and we can't do anything about it" to, "Absolutely, we can change this reality." And I believe we can and will. The Congress of the United States is a reflection of the change that's occurring, even among Republicans. Just yesterday there was to be a debate between John Kerry and Newt Gingrich, and it turned out to be a love fest.

Number two: strategy to solve problems. Eighty-six leaders came forward with the Evangelical Climate Initiative, and it prompted a backlash. But I say this is the civil rights issue of today. The evangelical leaders in the forties, fifties and sixties sat on their hands. My generation and I'm sure yours, Billy, we will not sit on our hands and allow this to happen to the world, because it's everybody's issue.

So you have to have a strategy to solve problems. It is, for us, what Robert Putnam called "bridging outward." And so in ten years we've passed eight major landmark bills: the Trafficking Victims Protection Act; the IRFA—the International Religious Freedom Act; the Sudan Peace Act; the End Demand for Sex Trafficking Act; the North Korea Human Rights Act; the Prison Rape Elimination Act; PEPFAR—the

President's Emergency Plan for AIDS Relief. These are all collaborative efforts where we have bridged outward as a community to solve a problem.

That's two: solve problems. So we must: cast the vision, solve problems and, last, the tactics.

Our tactics are leader-to-leader. We worked to get a hundred leaders who would cast the vision and adopt a strategy of collaboration. This is not the old paradigm of zero sum gain where somebody else has to lose for us to win. This is a new common-good strategy that says we're all in it for the betterment of everybody. The other speakers have intuitively said the same thing. We're all in this together. I heard the same message from Governor [Arnold] Schwarzenegger yesterday at Georgetown University. And these tactics are working going from leader to leader down to the very individual members of our society, one after another.

Finally, and I believe this is part of the biggest change that will encompass the twenty-first century. We can change the 37 percent who believe that climate change is human-induced, into 100 percent, but there is something else that is going on that will affect change more than politics: it is the reshaping of religion and science today. When you have theologians and scientists coming together, these two worlds working together will change this reality.

One last story: A boy and girl come to the old man in the town square. They're fed up with his leadership. They want it to end, and they devise the following strategy. They say, "We'll go to him with this bird in hand and we'll say, "Tell us, old man, is the bird alive or dead?" And they have a strategy. If the old man says that the bird is dead, they'll reveal that the bird is very much alive; but if he says that the bird is alive, they'll pinch the bird's neck and kill it. Thinking they had it all down pat, they go into the square and they ask the question, "Is the bird alive or dead?" The old man replied, "My sons and daughters, the answer is in your hands."

And I happen to believe that the people in this room have moved the needle this far already and we will move it the rest of the way because of the larger paradigms that are already changing America and the world. And it has been my great, great pleasure to be with you here today. I hope I haven't preached too much. Thank you.

KENNETH COLBURN:

Wow. A fellow who can stare into the face of the most profound problem that humankind has ever faced and leave you with optimism and hope. Richard, thank you for your faith.

I'm a consultant. But, happily, one who grew up on a farm, so I can recognize the sheepdog from the sheep. You all know that states are the laboratories of democracy. It turns out that they're laboratories of environmental action as well. States adopted acid rain programs five years before the federal Clean Air Act; they did toxics and mercury three years before, and so forth. So this isn't new ground at all. And that's just a few environmental issues, not the range of state lead-by-example activities. States are basically laboratories for what gets done in government. And we're seeing that, certainly, on climate change.

If you look back to the late 1990s, there were a lot of things called "state climate action plans." In fact, they were perhaps more worthy of the name "state action opportunity lists." They were basically lists of nice things to do. They weren't plans of how to do them, how much they would cost, or what they would accomplish. And if you draw a line at about the year 2000 and look at who had actually been doing some of the real work, no surprise, you get the usual suspects: the bi-coastal brotherhood of states that have historically taken environmental concerns seriously.

Things are different today. We have double the states, up to eighteen or so, that have actual, profound plans either done or underway. The Center for Climate Strategies—my organization—is helping with most of those. And there are some unusual suspects in that mix: some coal states, some Southeast states, where you don't expect that sort of thing. Arizona and New Mexico recently completed their plans—in September, in Arizona's case. These are comprehensive, all-sectors, yearlong processes that bring in multiple stakeholders from all walks of life within the state. They undertake policy selection; those policies are quantified pretty rigorously and then aggregated into the plan. Many of the policy options that are selected have negative costs; that's what's known in the vernacular as "savings." Some of them have positive costs; but when you roll them together as a package, Arizona, the fastest-growing state in the union, can save almost half a billion tons of carbon dioxide equivalent; and save \$5.5 billion in the process over business as usual, while also generating almost three hundred thousand jobs.

The results against Arizona's business-as-usual curve, being the fastest-growing state, show that Arizona can get back to 2000 levels by 2020 through this plan, and it can get down to half that amount by 2040. It's stakeholder process concluded with forty-nine recommendations; forty-five of them were unanimous. You can imagine the political support that comes from that kind of consensus. New Mexico has undertaken a similar process, and yielded similar results: sixty-nine recommendations, sixty-seven of them unanimous. A smaller state, they only save \$2 billion between now and 2020, net present value, and the reductions the group established would exceed the governor's goals.

California has also done a lot of work on this. An effort a year or two ago that Walt Reid [director of Conservation and Science at the David and Lucile Packard Foundation] was heavily involved with, and its current effort, AB 32, analyzed by the University of California, Berkeley, shows California stands to add \$4 billion to its economy—not just one time, but to the overall size of California’s economy—as well as eighty-three thousand jobs. There are similar results in all the other states where similar efforts are underway. These strategies are known technologies such as clean cars, appliance efficiency standards, distributed generation and combined heat and power, demand-side management, building codes and renewable portfolio standards. These are things that are available today. We just need to implement them.

Happily, there are even more states dipping their toes in the water and have partial efforts under way. They are doing greenhouse gas inventories and thinking about next steps or programs that have been announced but not yet launched. And when you add in those that we’re actually having conversations with, we have a critical mass.

Further, the climate issue is now resonating politically. The U.K. Guardian did a list recently of the one hundred top environmentalists, although they call them “campaigners,” of all time. Buddha was on this list. Governor Schwarzenegger beat Buddha on this list! You can’t buy that kind of publicity! A whole raft of new governors were elected last November with climate planks in their platforms. And now the Supreme Court has weighed in.

And the good news is that as we build to this critical mass and this confluence of forces, and when you look at what the scientists are telling us needs to be done that’s where the leadership states’ plans already shake out. Concerted action to reduce greenhouse gas emissions is doable with existing technologies, and it can produce a 70 to 80 percent reduction by 2050.

What’s more, as we saw illustrated in Arizona and New Mexico, if you look at where we’re going and where we would like to get to—and you look at energy conservation, clean energy, renewables, transportation measures and so forth each of those things add up to a little over a quarter of what it would take. And you can look at the states’ experience of where those costs come in—energy efficiency saves \$10 to \$30 per ton; renewables are going to cost a bit; and transportation will save \$30 to \$35 per ton—and gross them up to the national level. Taking those savings, assuming they are representative from those states that we’ve done, and applying them to the nation’s emissions as a whole, and we’re looking at reducing, by 2020, about 2.5 billion tons of carbon dioxide equivalent annually, and saving, in the process, about \$31 billion annually by

2020. That's a net present value, back-of-the-envelope calculation of over \$100 billion between now and 2020. We may be off a decimal point here, but it's far more likely that we're off one positively than we're off one negatively. It's probably more likely to be \$1 trillion than \$10 billion, but the important thing is the sign. This is hugely doable.

I have one last thing to add. These state efforts take a lot of work so the state comes out with what it can do, what it should do based on the stakeholders, what it'll cost, what it'll yield and how they should approach it. These are expensive efforts, and the states don't typically have the money to implement them. So many of you in this room have actually made these efforts and this demonstration of progress possible. Please keep it up. Thanks to all of you. I particularly want to thank the Global Philanthropy Forum for giving the issue of climate change the prominence here that it needs to have in Washington D.C. and Beijing and Delhi. Please join me in thanking a panel that, as serious as this issue is, leaves us with optimism. Thank you.

PLENARY FIVE



ENTREPRENEURS IN ACTION

JANE WALES, JEAN CASE, STEVE CASE

THURSDAY, APRIL 12, 2007

JANE WALES:

I'm going to ask Steve and Jean Case to come up on stage and join me. These are two entrepreneurs from the private sector who decided to be entrepreneurs in philanthropy as well. Join me in welcoming them.

Jean started by saying, "Feel free to ask Steve the first question." I have no intention of doing so. I'm going to show gender bias absolutely without shame, and ask you, Jean, as an entrepreneur, what are the qualities that have applied to the task of philanthropy and social change in this manner?

JEAN CASE:

First, thank you, Jane, for having us. It's a wonderful opportunity to be here with all of you. That's a question we could probably throw out to the audience and have answered, but I'll try to do the best job I can. We have many great entrepreneurs in the audience, and certainly that's our background as well. Some of the key qualities that we see from entrepreneurs—a passion, a conviction, a sense of urgency in what they're trying to take forward, a focus on action, and they're being very results-oriented. When you think about the subjects we're talking about at this conference, all of those qualities can be used in addressing the key social issues of our day.

JANE WALES:

And, Steve, when you were both at AOL, did you approach it as a mission-driven organization?

STEVE CASE:

Absolutely. AOL got started in 1985, but I first got interested in interactive service in the late 1970s. I always believed in it, even though at the time we got started people thought I was a little crazy; they didn't imagine the success of Google and the other companies today because most people did not have personal computers; and the few people who did have personal computers did not have modems. Even most of the personal computer companies didn't believe it made sense to put a modem in a computer because what would you do with it? Real people have no interest in this wacky, hobbyist, computer stuff. Certainly, we

were building a business that we someday hoped would be successful and valuable, but it was much more driven by a passion about the possibilities of this new interactive frontier and the idea that if we got enough people online, it would lower the barriers to entry, so you didn't have to own a printing press to be a publisher; you didn't have to own a satellite to be a broadcaster—everybody could participate. So it was always a very mission-driven, passion-driven idea that happened to be wrapped in a for-profit enterprise.

One of the things we've learned over the past decade, trying different things, is that there is a lot of commonality between those concepts. Sometimes the things you're pursuing may make sense to do through a more grant-centric, philanthropic prism; sometimes it may make more sense to do it through a more for-profit, venture-backed prism; and often there is a mix, something in the middle. It really depends on the idea you're pursuing, and it depends on your interest and expertise; but underlying all of it is the idea that there is some passion, some mission that really is driving you and the enterprise forward.

JANE WALES:

And that is very much the theme of this conference—the range from grants to mission investing. But back to just the entrepreneurial skills. Jean, one of the things an entrepreneur has to have is a willingness to take huge risks and to fail and then to pick themselves up, dust themselves off and try again. Is that true in philanthropy too?

JEAN CASE:

Yes, I definitely think it's true. Philanthropy—and particularly the nonprofit world, as we've heard time and time again at this conference—doesn't have the traditional capital structures that are needed to drive great opportunities forward. We do see a different view of risk in the philanthropic world. Traditionally, there's been a sense of an unwillingness to take great risk. But we are seeing some real seeds planted and blossoming now in some of the early investments, particularly for social entrepreneurs. We heard about many of them in sessions this morning. But the bottom line is that you're not two different people. You're the same person in business as when you're trying to conduct your philanthropy; and it's important to bring the same principles to that effort. It's not necessary to have a different expectation or a greater avoidance of risk than you might have in the business that made you successful and which gave you the resources to go forward in philanthropy.

JANE WALES:

There's been a big emphasis of late on measuring results: measuring the return and investment. I'm wondering, is there a balance? Have we become so focused on demonstrating results that we're unwilling to make that leap, to take that risk? And do we fall into the trap of doing only that which is clearly measurable?

STEVE CASE:

Yes, but this is true in the business world, too. There are some parallels here, some of them good, some not so good. In the business world right now, one of the concerns many have—and I share—is that it's too short-term oriented. There's such a quarterly results, metric-oriented focus that it's more difficult for companies, particularly when they're public, to be able to make longer-term investments, which is why there has been such a shift toward more private equity; they can make investments in the context of a private company. Some of the critiques of some not-for-profit enterprises, however, are that they're not metric-driven enough. I think that's true, but you could also apply that critique to many companies that are too metric-driven, particularly when the metrics are inevitably about short-term financial results. In both cases, it's a matter of balance; making the right kind of investments so you're showing progress.

One thing that is helpful is to have clear metrics that people can hold you accountable for; and capital chases good ideas backed by good people who are showing good results. It's often harder to see those kind of results in the not-for-profit sector because the metrics aren't as clear. At the same time, it's not simply taking the easy route to short-term performance and potentially ceding some of the longer-term possibilities. I think there are lessons to be learned on both sides.

JANE WALES:

Jean?

JEAN CASE:

Yes, and I think I'd add to that. Some of it is impact and measurement, no question, and I think we all would agree more of that is needed in this space; but some of it is just a focus, or what we might call "mission creep." If you don't have clear focus around what you're there to do, or that focus starts to blur or gets bigger and bigger and bigger to the point where you're really out of line with what you started out to do, chances are you're not going to have the impact that

you were aiming for. We do see that as a critical issue, and it is often the thing that concerns donors and investors—and rightfully so. So some of it is measuring impact, but a lot of it really is just about maintaining a very clear focus.

JANE WALES:

Jean, the foundation that you run, the Case Foundation, provides its grantees much more than money. Do you help with business plans? Do you help develop the metrics?

JEAN CASE:

Sure, and it's tied a little bit to your question on metrics. Metrics can be about a lot of different things. The key is having the focus so you know what you're looking for in the investment you're making. We spend a lot of our investment of time and money at the foundation trying to help organizations scale, sustain themselves and build new business models that can be productive for them over the long term. The measurements we're using are not necessarily end-user measurements, if you will, or end-impact measurements; they're really more about, *Did we help strengthen that organization, or did we leave that organization in a stronger place to go forward than when we first came into it?* No question, a big part of where we've decided we can play a role, fill a need, and fit in a comfortable slot was to take the same talents, the same skills and the same resources that worked for us in the business world and see if we might make them available to the nonprofit sector—as well as to social entrepreneurs—so that's where we spend a lot of our time and effort.

JANE WALES:

One of the things we learned last night was that Larry Page devotes any long vacations that he has to going to the developing world, to learn more about the kinds of problems he hopes to solve. Have you ended up spending a lot more time in the developing world than you might have done a decade ago?

JEAN CASE:

Yes. Our foundation is ten years old, and for about the first five years we largely did things just on the domestic front, but we knew that we would ultimately go into the international markets or into the developing world. But just like we did at AOL, we felt like we had to cut our teeth domestically doing this work before we could go out to the broader, and somewhat harder and more confusing, developing world.

We started to expand into this work about five years ago. We have participated in some things in the Middle East and in Africa particularly. Our largest initiative today is a clean-water initiative in Africa. It has what we call the “tenets” of what we like and where we think we can uniquely play a role—which is our foundation has always said it’s been focused on leadership, collaboration and entrepreneurship. This clean-water initiative, which we discovered in South Africa, won the World Bank’s program in 2000 on innovation—it beat out 1,500 other contestants. So it had been in our sights for a while. We went and looked at it in the field a few years ago in South Africa. There were 700 of these interventions at the time.

STEVE CASE:

It’s essentially a child’s merry-go-round. The idea is to put a merry-go-round on top of a bore hole, and when the kids go out and play and they spin the merry-go-round, it pumps water. The water is then stored in a little tank. The organization also sells billboard ads around the tank, which provide a recurring revenue stream—and also a reason to go back to that village periodically to change the ads, as well as to make sure that the water system is working. It seemed like a great idea that had been working out for a decade in South Africa. We said, “How do we take this to scale more broadly?”

Our goal now is to get this to 10 million people and 2,500 villages by 2010. We think that the plan, given the track record over the past decade, is doable; and the core business model, going back to your point of metrics, is basic because it’s pretty clear what it costs to install a pump and pretty clear how many people on average would be served by it. So this installation that we’re leading is basically a \$60 million effort that will get water to 10 million people in three years. Six dollars per person for water seems like a pretty good return on investment when, if you go to your mini-bar in your hotel tonight, you’ll probably pay six dollars for a bottle of water.

It was a proven idea that we thought was very creative in terms of how it was leveraging a simple technology: in this case, a merry-go-round that essentially is a windmill on its side; as you spin it around, it can generate energy, and in this case it can pump water. So instead of telling the kids—and often it’s the girls—“Go walk 2 miles and don’t go to school because we need some water,” now you can tell them, “We need more water; we need you to play some more.” It seems like a lot better way to do it.

Marrying that with the storage and billboard idea, we thought was terrific. It was a perfect example of something that we felt we could take to scale if we put in

more capital, assembled a team of people, in terms of some of the expertise and got other people interested in joining us in this effort, and we were pleased to be a part of it.

JANE WALES:

Jean, this is a public-private partnership. Tell us something about your views of partnerships as an approach. Also, what are the complexities associated with helping to forge such a partnership, how do you deal with the power, imbalances and so on?

JEAN CASE:

I think it seems pretty obvious that if we're going to solve the great social issues and challenges of our day, it's going to take all of us pulling together. I think traditionally sectors have looked at problems through their sector lens. Certainly we did this in business. You're sitting in a business, and you think, *What can business bring to this?* or even, *What can my company bring to this?* If you're sitting in the nonprofit sector, you're looking at the world through *that* lens; and if you're in government, you're thinking the same way. We believe strongly that cross-sector opportunities exist in a really big way for everyone to have an appropriate role.

With regard to the clean-water initiative, for instance, as many of you know, the U.S. government made a historic commitment to Africa for HIV/AIDS. It made a large investment for about thirteen countries in Africa. When we were there, we witnessed children, young girls, who weren't able to go to school because they had to retrieve water before they were allowed to go to school; we went to HIV clinics and saw very clearly that the water people were using to take the HIV therapies was dirty and it was killing them. That really doesn't seem too smart, does it?

Similarly, our government builds schools in Africa; but they leave it up to the local governments to provide the water supply, and the water simply isn't there. So the foodstuffs at the school can't be made because there's no water to prepare the food. These are several examples where our government was making, in many cases, historic investments in the very areas we all care about, but there was something missing, some sort of plug-in role, that didn't allow those investments to be fully leveraged.

So when we came back with this commitment to go forward with the clean-water initiative, the first thing we did was sit with the U.S. government and say,

“We love what’s happening; we’re very excited by what’s happening with the U.S. government investments, and we’d like a private-sector initiative to ride alongside to fully leverage it and reach more people.” Now we have partnerships with other nonprofit organizations throughout Africa that are doing similar things at our same site: investing in sanitation, hand-washing training and so on. So you provide almost a hub-and-spoke opportunity, but it’s an opportunity for the private sector, for the nonprofit sector and for the government to all play a role. We think these cross-sector ways of looking at things are where the really big opportunities will come from.

JANE WALES:

What’s interesting about PlayPumps as an example is that the idea came from Africa. It was Africa-led. How important is that?

JEAN CASE:

That’s critical, Jane, and thank you for reminding me of that because it’s a technology that was invented in Africa for Africans, and the manufacturing and the distribution takes place in Africa. The private sector and the U.S. government is coming along as a champion and helping to drive it forward by bringing additional resources. But this was invented in Africa for Africans, so it’s not something we’re throwing over to that continent and saying, “Isn’t this great?” It’s something Africans determined they needed and wanted, and we’re just helping them take it to scale.

STEVE CASE:

It also highlights what we see with some of the people attending this conference: the importance of building bridges between these worlds, because one of the founders of PlayPumps used to be in the advertising business. So he said, “billboards.” I’m not sure most of us would have said, “Let’s build this water system and create a storage tank, and we’ll sell ads on the water tank.” But he had that perspective and, for us, that was one of the breakthrough aspects because, as I said earlier, it provides a recurring revenue stream and a reason to come back to make sure the system is working, which is often a problem with these projects. They’re installed and then for whatever reason a few years later they’re not working, but nobody goes back there to check on them.

JANE WALES:

We were talking earlier over lunch about connecting the customer to the possibility of philanthropy, to the opportunity for social change. Please say a word about that as a general matter—the kinds of changes that you're seeing out there with (PRODUCT)^{RED}, even with *American Idol*.

STEVE CASE:

We're delighted to see more mainstream applications hitting people when they turn on the television or when they're shopping in a store because, again, blurring the lines between these worlds is one of the real opportunities. So we salute the folks at *American Idol* who are now making it part of their show; it's the top-rated show in the country and they're having a show that's dedicated to raising money, partly from the corporate sector, but also encouraging people to give, and just as importantly shining a spotlight on some critical issues. As people are sitting there trying to decide if they'll vote for one contestant or another, they are being educated about some challenges, in this case in Africa, and they get an opportunity to do something about them that they otherwise wouldn't.

(PRODUCT)^{RED} is another great example of blurring the lines to get companies to create products that can generate a recurring revenue stream that provides a level of sustainability in terms of investment, which is one of the things for-profit businesses often are better able to do. It's not a new idea: the Girl Scouts have been doing it for a century; National Geographic has been doing it for a century. National Geographic started with the goal of educating people about the world, but instead of just having it done through the prism of a philanthropic initiative, they created a magazine and a membership, and then, over time, television channels and other kinds of things. Now it's a billion-dollar business that is doing a far more profound job of educating people about the world because of those other business initiatives. So trying to encourage that kind of integration is important, and looking for opportunities to touch consumers where they live and where they're having experiences is very profound.

JANE WALES:

I should note that Richard Curtis from Comic Relief will be speaking tomorrow, and it was Richard's idea to go to *American Idol* and inspire them to spread the word to a much wider audience. Yet another social entrepreneur at work. When you look at something like that, Jean, you're going to have to be measuring the impact over the long term. How important is broadening philanthropy itself in that way?

JEAN CASE:

I think this issue of recognizing that the greatest power we can tap into is consumer and business spending is huge. And these are some of the first efforts that we're seeing. We have traditionally seen some that Steve mentioned as well, but we think it's an idea whose time has come.

I told Jane earlier today that I came back from Europe last week, and when I was going through customs, the woman said, "What was the purpose of your travel to Europe?" I said, "Philanthropy." She said, "What?" And I said, "Philanthropy." She said, "What's philanthropy?" Our kids have asked us the same question. We talk in this space in a language that the average person doesn't understand. Even if you've been educated in this nation, we still use words and phrases you'd never use in consumer marketing. It's not how you'd talk to people if you were really trying to get them to buy your product or become aware of what you're trying to do. So I think there's the whole language set and a way of looking at how we're telling our story and whom we're trying to reach that needs to change for this true potential to be fully tapped. It's something we're committed to doing. We're looking at ways to partner with others around new initiatives that aim to do just that—as well as tap some of the trends around social networking and some of the technology revolutions we're seeing taking place.

JANE WALES:

And language is just one of the barriers to the process of blending the private and social sectors. Steve, you've done a lot of public speaking about the importance of taking philanthropy beyond Philanthropy 1.0, and Judith Rodin started our conference on that topic. Say something about what philanthropy would look like if you succeed in your advocacy.

STEVE CASE:

I think, for the reasons Jean said, that maybe twenty years from now there'll be a different word for it, more about giving or helping, and less institutional. It's more about having these blurred lines between the so-called businesses and the so-called philanthropic organizations. I think that's where the biggest opportunity is. If you asked me ten years ago, I'd have said, "Well, the way it works here is that you're entrepreneurial and you start a company and you're lucky enough to be successful; and at some point that company should create a little foundation to do some things to supplement what they're doing; and at some point you made a lot of money personally, so you should probably create your own foundation, do some things privately," which is sort of what we did.

AOL started up, then we had the AOL Foundation, then we had the Case Foundation. I think that's been terrific. The kind of things we've been able to do through each of these has been constructive. But having a more integrated view of it seems to be the better answer, and not simply creating a foundation, which in too many companies is a little bit of a silo—people off on the side with a somewhat limited budget, trying to do some interesting things. It really should be more built into the company's mission, and the company's core businesses should be looking at ways to drive that forward.

American Idol happens to be a current example of that. It's not something off on the side with the American Idol Foundation. *American Idol Gives Back* is front and center to 40 million people. If you're looking at ways to try to get the most from each of these, I think there's a role for private contributions; sometimes it doesn't make sense for a company to take the role directly, given the nature of the issue and the amount of capital that it has. But in the long run, blurring the lines between those worlds is going to be helpful; and, ultimately, it comes down to, *What are you trying to change? What impact are you trying to achieve, and what's the best way to achieve that impact?* In some cases it will be through this prism, and in some cases it will be through that prism, and in many cases it will be through a more integrated, hybrid prism. So it's less about, *make the money over here, throw it over the wall, and try to give back*, and more about trying to live it and breathe it every day in a more integrated way and really use whatever tools are in the arsenal—sometimes it's a hammer and sometimes it's a saw, and other times it's something else—to have the kind of impact you're hoping to achieve.

JANE WALES:

We're seeing a lot of that in the information technology space and obviously in the health space—I mean big pharmaceuticals providing vaccines and treatments for the diseases of the poor. But what's happening in the financial community, when Goldman Sachs makes the environment part of a deal? Are you starting to see a real shift in the world of finance as well?

STEVE CASE:

I think it's a broader corporate shift—I wouldn't limit it to finance. And I think it's driven by a recognition that people want to do business with companies and work for companies that have more than just this quarterly profit target in mind. There is a purpose to it, a mission to it, some kind of calling to it. In a global battle for talent, attracting people who want to be part of that effort is

very important; and in a global battle for customers, it's having people want to do business with your company.

Obviously, the core benefits that service your product have to be there as well, but there's something more that the company stands for. I think there's recognition that we're moving into that era. The next wave of capitalism, if you will, will have that aspect to it. The savvier companies are trying to get in front of that and really take positive steps. A lot of it is because they really do believe it themselves—it's not just opportunistic; but there's some aspect that also is recognizing that's where the puck is going. Wayne Gretzky was a great hockey player not because he looked at where the puck was but because he looked at where the puck was going. And the puck in the business world is going toward this: companies doing more than just making money.

JANE WALES:

Now, Jean, you've had as part of the foundation strategy the funding of hybrid models, PlayPumps being an example. Is KickStart also an example of a hybrid?

JEAN CASE:

Yes. KickStart is a good example of a hybrid model. KickStart, for those of you who are not familiar with it, is an effort, again, largely focused in Africa. It finances irrigation pumps that are affordable to small African farmers; it's almost like a treadle pump. It's like a stair stepper that you stand on, and it irrigates. If you have a hectare of land, now you have an opportunity to irrigate that land and suddenly you can get a lot more: sell that produce and get two hectares of land, and so on. It's really taking economic development to a new scale across Africa with this small intervention in farms. That's another hybrid model, and what we love about it is they're selling to small farmers; they'll save all of their family's meager earnings for a long time to buy this pump. The whole family will use it: often your cousin will take it when you're not using it, and then your neighbor's going to pay you to use it on Saturday. It's a way that we're seeing some real economic development progress happen.

Someone said in an earlier session that you shouldn't always be so focused on the millions and millions that you need to get to in scale, that there are some small opportunities. This started as a small opportunity, but we're seeing it really take hold across Africa and we're very excited by it. This idea of the blended model is, again, in terms of big ideas and getting out of that old way of thinking—that today you're doing philanthropy, and tomorrow you're doing business—and instead asking, *What are your core assets and skills?*

If *American Idol* had formed the American Idol Foundation, and it sat off to the side, and they simply said, “Anybody want to donate to us?” they wouldn’t have had nearly the impact of taking their core competency—what they’re good at, their strategic assets—and applying them in this space.

Steve’s new company is a great example of a blended world as well. In this particular situation he’s focused on healthcare. It could have been a foundation initiative, but it probably wouldn’t have been very successful. We’re thinking that the best bet is to make a for-profit to address the healthcare needs, another example of how we view this blended world.

JANE WALES:

I’ll turn to you, Steve, and ask you about Revolution, but first StairMaster reminds me that when I was in the policy world in Washington, D.C., they always used to say that StairMaster was the ultimate Washington exercise: it was the stairway climbing to nowhere, and so this perpetual process. And here’s an example of something that is climbing to social change. But tell us about Revolution because it’s an example of putting a company to the service of a social objective.

STEVE CASE:

Yes, it was a mix of things coming together. I started Revolution about three years ago with the idea that there’s always going to be things that are best done through the Case Foundation prism, including in healthcare.

Many of you knew my brother Dan; he was an investment banker here, took a lot of companies public, and he died from brain cancer about five years ago. So we funded a not-for-profit initiative called Accelerate Brain Cancer Cure [ABC²] to look for therapies and drive more collaboration and innovation in that space, and we feel like we’re making some progress. Then more recently we created a venture fund focused on brain diseases because we think that is an opportunity to actually make some money as well as do some good—not just brain cancer but also ALS [amyotrophic lateral sclerosis, or Lou Gehrig’s disease] and Alzheimer’s among other things.

But for me the real opportunity became trying to drive the healthcare system, particularly in this country, to reorganize more around the consumer, to really put the patient back in the center of the healthcare system. For sixty years, given the way payments were set up after World War II, it’s been an institutionalized system, and consumers are really not part of it. They’re part of it when they’re doing things to stay well. There’s a whole business about fitness clubs

and nutritional supplements and getting a massage that already is very consumer-centric. But when you get a cough or your knee hurts, you move into some other system that's called healthcare, but it's really "sick care." And it's organized in a fundamentally different way. My belief and my hope is that in the next 10 or 20 years that will change, and it will become more about consumers choosing.

We are therefore building a company, which we're calling Revolution Health, that gives consumers more choice and control and convenience—that is the core idea. We're launching a revolutionhealth.com Web site, which is the beginning of a broader strategy. It is more about building a set of businesses. We have committed more than \$100 million of initial capital—mostly from us but also from other co-founders, including Jim Barksdale, whom many of you knew because he ran Netscape, and Carly Fiorina and Colin Powell and others—and said, "We're going to try to build a company that can be a disruptive force and can be a change agent, and we hope it will be successful and someday very valuable, but we also hope it will help push the system to be a little more consumer-centric."

In that particular instance, it goes back to this issue of the spectrum; what the right tool is depends on what problem you're trying to solve. In some cases, such as driving innovation around brain cancer, a philanthropic effort seems best. In terms of trying to create more capital flowing to companies that are doing interesting things relating to brain diseases, either therapies or technologies, a venture fund seems like the right thing to do. In terms of building a trusted consumer brand that over time can have a broader impact on the healthcare system, a company seems like the best thing to do.

There's not a right or wrong answer; it really depends on the situation. But I think it also depends on your own interests and strengths. Not everybody can play basketball, and not everybody can do ballet; some people have skills that other people don't have, and trying to leverage your own skills in the most constructive way makes sense. There are not a lot of things I do well, but one of the things I do well is start companies, and so starting companies that can change the world is really what Revolution is all about.

JANE WALES:

Larry [Page] and Sergey [Brin] have a great idea for a maxim for Revolution: *Focus on the user and the rest will follow.*

STEVE CASE:

That counts for a lot.

JANE WALES:

So much of what we've focused on in the past day and a half and will be focusing on is the whole question of mission investing, and you've just talked about a large investment that the two of you have decided to make. This is the notion of using your assets. On the one hand, philanthropists think about how they use the drawdown from their endowments to make grants. But this is the whole question of using your assets to make investments that will advance your social goal. How large a part of your lives has mission investing become?

JEAN CASE:

It's become a big part of my life, particularly because I've been running the foundation now for ten years, and it's what I focus most of my time on. I have to say, we went into it knowing that there was a lot more that we didn't know than we knew, and I'm not sure how far down the line we are as we sit here today. But I think it's still really hard to figure out or to find great opportunities for investment. And when we do, we realize that what they need most is a spotlight so that other people know they're great opportunities for investment. As we heard today in the conference, there is capital available—how do people learn about it? It's something we're really focused on, but I can tell you I think it is a lot easier for both of us to find great business investments and feel good about those than it is to find great social investments. It doesn't mean they're not out there; I'm just saying that they're harder to find than great opportunities to invest in strictly businesses.

STEVE CASE:

But some of that goes back to this issue of capital structure and capital flow. One of the reasons why the hybrid approach has a lot of legs is because people are often eager to invest in a new company; they believe that if they write that check, they'll not only get that money back but they might get a lot *more* back. On the other side, typically on the not-for-profit side, is the recognition that you write a check, won't get any of it back, and almost certainly will be asked to make another contribution. So it's the reverse case where essentially you say, "If I start writing checks, I can't stop writing checks."

It's one of the lessons we learned ten years ago. We thought we'd make a grant, and we realized that there's almost an expectation that that will continue. And

then we started making longer-term, five-year grants and made it very clear that there is no sixth year. We're trying to jumpstart this, but we're not going to be here forever. And so looking at models where there is a little bit more of a hybrid and there is the ability to leverage capital is very powerful. AOL, a \$100 billion company, we built on the back of \$10 million in venture capital, including Alan Patricof, sitting here, as one of our venture capitalists. So we took a relatively modest amount of capital. At the time we were competing against Prodigy, and they had \$1 billion from IBM and Sears. We had a passionate team who really believed in this idea, and we were able to build a significant franchise on that; and the people who invested got a lot of return, financially, and also felt that they helped create a revolution.

Even more recently with some of the things we're doing on the healthcare side. If people I know think I'm calling to ask them for a donation to accelerate a brain cancer cure, they're like, "ewww." Some people (but not that many) have called me and said, "I'd like to write a check." But when I announced Revolution Health, I had a bunch of people calling me and saying, "Will you take my check?" The reason is because they thought there was some possibility that there would be a significant return here and it was less clear there. So that's the challenge in terms of the sectors: *How do you use capital strategies?* Ultimately, it comes down to sustainability and scalability: taking a little bit of money and turning it into something big. And that's one of the challenges we're trying to focus on.

JANE WALES:

And you'll hear this afternoon that Alan Patricof is now thinking about establishing a small- and medium-enterprise fund focused on Africa, to build a sustainable economy and successful enterprises there. You've talked a lot about the ABC² effort. One of the findings of the Foundation Strategy Group (FSG) when they took a look at the question of what makes for an effective philanthropist was that those who had experienced the problem they were trying to solve were sometimes the most effective. Did you find that your experience with your brother transformed you as a philanthropist?

STEVE CASE:

Sure. "Transformed me as a philanthropist" is probably a little broad, but absolutely the experience of understanding the difficulties of that disease. I got a call from him six years ago in the middle of the night: he had a brain tumor, and I should not worry about it. I didn't know a lot about brain tumors, but I knew I should probably worry about it. And then he got his diagnosis after surgery two

weeks later and was basically told, given the stage, he probably had six months to live. So I say, “Okay, start asking basic questions: What causes brain tumors?” Nobody knows. “What are the therapies available to treat tumors?” Not many. None of them work particularly well. “What’s the prognosis?” It’s kind of a death sentence. And he said, being the entrepreneur who helped build Genentech and Electronic Arts and Apple and many other companies, “That’s not good enough.” That really led to the creation of this initiative, trying to put more focus on this and build it up.

I would also say, more broadly on healthcare, some of it is informed by our own personal experiences: just having five kids who get sick every once in a while. One of the businesses we’re funding is a convenient-care clinic business, in partnership with Walgreens and Wal-Mart and others, because people have kids who get sick on Sunday mornings, and right now they have two choices: one is they go to the emergency room and wait around all day, which is a complete waste of that resource. The other is they wait until Monday morning and pick up the phone at 7:31, hoping they’ll get an appointment. It’s like calling Ticketmaster to get U2 tickets. You know—busy, busy, busy; and if you’re lucky enough to get through and lucky enough to get an appointment, inevitably it’s at 2:00 in the afternoon and you’re going to miss a day of work. And the question was, *Is it a sore throat or strep throat?* It’s not that hard.

And so we’re creating a network of clinics, and someday there should be thousands of them. There are twelve thousand Starbucks. Shouldn’t there be a few thousand convenient-care clinics? We think there should based on our experience. Or our experiences dealing with the system and the whole issue of electronic medical records and how crazy it is and how complicated it is. That personal experience informed the opportunity to create this business. It’s no different than the personal experience we both had 20 or 25 years ago, sensing there was something in this interactive world, some way that maybe someday this would be more of a mainstream phenomenon. Because when we got on and we were using it, we didn’t understand why 99 percent of the people in the country at the time were not connected to these services. Someday, we believed it would be a mass market. So I think there’s always some personal dynamic that makes you particularly passionate about a particular idea, whether it’s a business idea or a philanthropic idea; and that passion, I think, is critical for the success of any venture.

The only other point I’d make, which is critical, is execution. There are a lot of good ideas out there, but not a lot of great execution. This is true across all sectors. And Alan [Patricof] said, “Vision without execution is a hallucination.”

Don't tell me. All of us have heard all kinds of great ideas, most of which don't succeed. It's not because they weren't great ideas. But they didn't have the capital, or they didn't have the talent, or they didn't have the team—they didn't have something. So it's not enough to say, "I have a great idea." You have to figure out how to put that into action, what the strategies are to do that; and some of it is about aggregating talent, some of it is about aggregating capital and a lot of it is about hard work.

JANE WALES:

Jean, is there a particular passion right now that is driving you and driving your philanthropy? Are you feeling like you are on the track you mean to be on, or is there something that's propelling you anew?

JEAN CASE:

Well, I'd probably remove it just a little bit from me personally and say that there is a sense that we're at a point in time when we all recognize big problems in the world and in our communities and the same old way isn't going to get us there. I mean, that's just the bottom line. So I think we're all passionately searching for the few levers, the few approaches we might use to really change things—to have an impact in ways we haven't been able to before. And I'm not so convinced that it ultimately comes down to just a money problem.

That's why we're so excited, following on what Steve just said about vision and execution, and going back to your earlier question about the role of other sectors; so in this small clean-water space, the opportunity was there, the model had been proven. We're sitting in Washington, D.C., in the United States. What the heck are we going to do about execution on the ground in Africa? Turn to the U.S. government, and we had a way to actually scale this thing.

It's this understanding that if we work together and we all brought our core competency and our unique skills and assets—if everybody does a little bit—you can really get far. But if we'd come back and said, "Oh, this is about us, and we're going to try to..." it never would have worked. It's not about us. It's about looking out and being smart and picking partnerships and collaborating with all of the sectors so that everybody is doing what they do well. And that can ensure execution beyond the vision. I mean, the vision thing is easy. It's the execution thing that's hard, right?

And I wanted to underscore something that Steve said because it's easy to understand how he might have received phone calls when he started Revolution. But

just in the little brain cancer world (as we have talked about this brain cancer initiative we've had for some time now), we also noted that there was a real gap in the market, and our philanthropy couldn't address that gap just because of the way the structures work between what you can do as a business and what you can do as a nonprofit. Specifically, investing in small companies with great ideas, or maybe some molecules that show great promise that could lead to therapies in this space. The philanthropy couldn't technically invest in it for a lot of different reasons; we couldn't because of our role in the nonprofit, and it wasn't something the traditional drug companies wanted to do because the risk was too high.

So let's go back to this whole issue of how people think so differently. The same people whom we knew had been touched by brain cancer, who hadn't invested in our brain cancer initiative—we went to them and said, "Okay, but we're going to have a brain trust fund, and it's the first tranche of a \$25 million fund that we're putting together, and it's a really high-risk deal. These are high-risk investments. But if they pay off, they're going to pay off big, and they might actually be a therapy for brain cancer, which doesn't exist today." People were jumping into that opportunity. I guess the reason we're so convinced these hybrid models that we're talking about make a lot of sense is because when people write a million-dollar check into that fund, we've said to them, "You *may* not ever see that million dollars again." But if they've done it on the brain cancer nonprofit, they *know* they wouldn't see it again; there's no chance they'll see it again. They're writing it, and it's gone, and somebody else is spending it. But over here on this fund, there's some chance they may get it back—and may get it back handsomely—and they know they're making a big difference. So we think the hybrid side is really powerful, and that excites us greatly.

JANE WALES:

You made me think of the old maxim *Those who don't seek credit are those who end up being the most powerful in achieving their goals*. So this collaborative message is an important one. Tell us something about the importance of the convening power of the philanthropic world and how that might be used.

STEVE CASE:

We have to convene among ourselves to decide who's going to answer the question.

JANE WALES:

Neither wants credit.

STEVE CASE:

We recognized that there's a learning process for all of us. One lesson we learned early on is that if you're too front-and-center and it's not a big enough tent, it's not as interesting to as many people. Almost ten years ago we started an initiative called PowerUP, which was designed to bridge the digital divide. It was successful in that we created a thousand technology centers, and Cisco, Microsoft, Hewlett-Packard and others joined us on the effort, and we did Boys and Girls Clubs and a lot of different things. But to get that started, we said we'd provide most of the capital. So we invested tens of millions of capital in that venture, and people thought it was the Cases' thing; then we realized that it would be better to have a broader tent and get more people involved. So that was one lesson.

A second lesson was a little bizarre. Even though the Case Foundation's capital came from AOL, which helped make the Internet a mainstream phenomenon, when we launched the Case Foundation we didn't have a Web site. We only designed one about three years ago. The reason is we didn't really want to talk about what we were doing. We wanted to do it quietly. And we didn't want to be beating our chests. What we learned was that we were being selfish, that our attempt to not be out there—in terms of declaring what we're doing here, what we're doing there—was actually depriving the organizations we cared so passionately about of the ability to shine a spotlight on what they were doing and potentially attract the interest of others. So we did launch a site that is designed to do just that. We're looking at it geometrically; we're looking at ways to expand it.

So we recognize that one of the "assets" we bring to bear is some brand name or credibility or network and how we use that in an appropriate way to try to get behind some of the ideas that we think are powerful. That also ties into how we leverage that. In terms of Washington, D.C., we've been there for more than twenty years. AOL was one of the big business success stories of the area, and we got to know a lot of different people; so how do we leverage that in an appropriate way to try to get traction around some of these ideas and create an environment, much like what you're trying to do here, where people can get together and kick around different ideas? We learned less about our funding it, and even less about what spotlight we chose to have or didn't choose to have, and more about leveraging that convening ability or that networking ability or that ability to generate attention to drive some of these ideas forward.

JANE WALES:

If you had one piece of advice, either of you, to give to those newest philanthropists in this room, what would it be?

JEAN CASE:

I'd probably say, recognize who you are and what you are and what you bring to the party, and use that most effectively, because chances are that's where your passion and your talents and your skills are. Don't reinvent yourself when you think about philanthropy. Take what you already do well, what you already have, and see how you can use it in this space because that's where I think you'd be most effective.

STEVE CASE:

I'd say essentially the same thing, which is, focus on the things that you really are passionate about that fully leverage your skill set. I think too often people think they should be playing some other role, wearing some other hat, and it doesn't necessarily play fully to their strengths. Particularly in terms of people who are younger and came into their money from Google or some other company: get out there and try things and don't be afraid to fail. It's a learning process. We've described some of the learning we've done, and I think you've got to get things started, and you have to start walking down that path, and it will iterate over time, and some doors will open and some doors will close. You just have to keep going down that path.

The last thing I'd say, which is a pet peeve we both have, is try not to reinvent the wheel. I think there's a tendency when you want to do something—and we've also fallen into this—to start something new to do it. And one real problem in this sector is that it's too fragmented. If there's something you're passionate about and somebody's already doing it, take a look at backing them before you start some other kind of initiative, and use this as an opportunity to accelerate.

Obviously, the person who gets the hall of fame award for this is Warren Buffett, who basically said, "Look, I'm pretty good at creating capital. I don't know if I'm so good at investing that on a not-for-profit side. I think those Gates folks over there seem like they're pretty sharp, and they'll probably be around for a while and seem to have a pretty good team. I'm going to throw my lot in with them." He didn't say, "All right, I'll do this if you'll rename it the Gates-Buffett Foundation." He said, "Here's \$40 billion" (or whatever the number was). That's pretty impressive. What he basically was saying is, "I want to make a difference in the world. I think the best way for me to make a difference is to hand that

baton to somebody else who can run the next few laps better than I can.” I think there’s a lesson we all can learn from that in terms of focusing on what you’re really great at; maybe somebody else is better at something, and maybe it’s better to back them as opposed to create something new.

JANE WALES:

And Warren Buffett does have a pretty good track record in picking winners.

STEVE CASE:

He does, he does.

JANE WALES:

Well, Jean and Steve Case, thank you so much for applying your prodigious talents to social change and thank you for sharing your lessons learned with the rest of us.

KEYNOTE ADDRESS



FINANCING POVERTY ALLEVIATION

SHERYL SANDBERG, JOHN DANILOVICH

THURSDAY, APRIL 12, 2007

SHERYL SANDBERG:

Good afternoon, everybody. I'm Sheryl Sandberg, from both Google.com and Google.org, and it's my pleasure to have two welcomes this afternoon.

This first is to welcome you as part of your continuing welcome to Google to participate in what we call the Google Grants Program. Larry [Page], Sergey [Brin], Larry Brilliant, and I wanted to extend an opportunity to get free advertising on Google to all of the nonprofits that are here with us today. The Google Grants Program has already given away about \$140 million in free advertising and we've extended it to about two thousand nonprofits worldwide. And, most important, we've worked with our grantees to help them use the power of the Web to broaden their reach. Jane Wales will be helping us send an e-mail to all of you, giving you the details of how to sign up. As you can imagine, there's a fairly long wait list for this program, but we'll expedite the process for the organizations that are here today, and we hope it helps you grow your reach and grow your impact.

The second welcome I'm pleased to be able to do today is to welcome you to the next part of our agenda: Financing Poverty Alleviation. All of us are here because we care about the world's poor, and we know that there's no easy answer to improve the lives of the two billion people living on less than two dollars a day. We know it'll take a combination of things to make a real difference. It'll take the right government rules, the right government laws and the right momentum from the private sector. It will also take aid, both in the form of private philanthropy and in the form of government aid. One of the challenges we all face is that in neither of these two areas are we doing what we could or should be doing.

Google.org just commissioned and completed a study of private philanthropic giving in the United States. We published the findings last week in an op-ed in the Wall Street Journal, and will be publishing the full study on our Web site in about four to six weeks. Despite the fact that Americans, as private citizens, are the most generous in the world, giving more than \$250 billion annually, which is a large number compared with any other kind of giving, unfortunately only 8 percent of that goes to international causes of any kind. And if you poll

Americans, they will tell you that their primary reason for their private donations is to help people who are not as well off as themselves, but only a third of their donation touches anyone in need anywhere in the world.

If we are to make a difference, Americans must follow the example of people like Steve and Jean Case; not just identify with their local communities and give to their local institutions, their churches and their universities—institutions that provide important public goods but don't help alleviate global poverty. We need to help Americans define themselves not just as Americans but as citizens of the world, building a broader global community.

Government aid faces the same problem. If you poll Americans, they will tell you that 15 to 30 percent of the U.S. federal budget goes to help other nations in need. The reality is a very small percentage—less than twenty times that. In fact, the total developed world gave a paltry 0.3 percent of global national income to development. Now those numbers are still big, and so one of the things we're focused on is raising that number and also making it as effective as possible. And that's where our next speaker comes in.

I'm very pleased to introduce Ambassador John Danilovich to this stage. He became CEO of the Millennium Challenge Corporation in November 2005 after a very distinguished career. He served as ambassador to Brazil and ambassador to Costa Rica from 2001 to 2005 and before that enjoyed a very successful career in the international shipping business. He served on the boards of directors of the Panama Canal Commission, a director of the Stanford University Trust and a director of the U.S.-UK Fulbright Commission, among many other activities. But most important, he's one of the leaders in the world at trying to make government aid effective by giving recipients the right incentives to do the right things to help their own populations.

Ambassador, we're pleased to have you here.

JOHN DANILOVICH:

Thank you very much, Sheryl, for that generous introduction. I greatly appreciate it. I'm grateful to have the opportunity to speak to such a distinguished audience of philanthropists; entrepreneurs; public, private and corporate executives; and representatives of the various foundations—and to tell you about the work that the Millennium Challenge Corporation [MCC] is doing to combat poverty throughout the world. Reflecting the president's vision and Congress's bipartisan support—a unique combination at the best of times—and recognizing the responsibilities we have as part of the developed world to assist those in the developing world, the Millennium Challenge Corporation was established by

an act of Congress in 2004 to offer an alternative delivery mechanism to U.S. foreign development assistance.

The MCC model is based on the American ideals of compassion for those in need, together with accountability and responsibility, and it provides sizable development assistance grants to partner with countries that practice sound policies, which support good governance, invest in the health and education of their citizens, and encourage economic freedom; countries that are actively engaging and pursuing their own development by devising and implementing their homegrown strategies for poverty reduction through economic growth; and countries that demand nothing less than measurable and tangible results in the lives of the poor.

To date, the MCC has awarded development grants, what we call “compacts,” to eleven partner countries throughout the world, totaling \$3 billion. Another \$310 billion has been awarded to thirteen other countries in threshold agreements to help them address policy weaknesses, to push them over the threshold toward compact eligibility.

Though we are committed to development assistance, development assistance alone is not the answer to alleviating poverty. The answer is using this assistance as a foundation, a starting point, a springboard, to attract and leverage what is essential for generating sustainable and transformative poverty alleviation. The MCC’s approach does just that. We use our aid to leverage the power of good policies, a country’s ownership of its own development, and the role of private enterprise to fight poverty.

Let me explain what I mean by each of these areas.

First, aid alone is ineffective if a country’s policy environment underutilizes or wastes it. For this reason the MCC is designed to provide aid as a positive reward to countries that have a sound policy framework already in place. We do not provide aid to a country that promises to enact good policies. We provide aid to countries because they already practice good policies. Lessons learned after decades of work in the development arena prove that performance-based aid allocation helps maximize aid effectiveness. Therefore, we partner with countries that measure above the median on at least half of the sixteen objective and transparent indicators we use to assess a government’s performance in the areas of ruling justly, investing in the health and education of their people, and promoting economic freedom.

We also require our partner countries to perform above the median on our control-of-corruption indicator. Currently, the Millennium Challenge Corporation is the only donor that ties eligibility for assistance to performance on a

transparent and public control-of-corruption benchmark. We create scorecards, summarizing a country's indicator performance for our Board of Directors to use in making its selection of countries that can apply to receive MCC aid. You can visit our Web site at www.mcc.gov to view the indicator scorecards for all low-income and lower-middle-income countries. Because scores and data drive our approach, countries suffering from corruption, poor governance, and closed markets do not receive our assistance. Countries that do not perform well on our indicators are encouraged to improve and try again in the next selection round, and many countries are doing just that.

Even after a country is selected to participate in our program, it must continue to maintain passing scores on the performance indicators or risk losing its eligibility. Because we maintain that aid goes farther and will be awarded by us only if good policies are in place, we are finding that countries are taking it upon themselves to proactively initiate and accelerate policy reforms. We call this phenomenon the "MCC effect."

The Dominican Republic, for example, launched a campaign to immunize 5 million of its citizens from measles, and it explicitly attributed the tremendous undertaking to its desire to qualify for MCC assistance; MCC measures immunization rates in our Investing in People category. Countries talk to us and even hire experts to help them better assess their indicator performance. They engage directly with the organizations supplying the indicator data to make sure the policy performance is captured accurately. Countries are providing us with detailed reform agendas. It is no accident that some of the most aggressive policy reformers in the world, as measured by the World Bank's *Doing Business* report, are MCC eligible. According to that report, twenty-four countries specifically cited the MCC as the primary motivation for their efforts to improve their business climate. Presidents, ministers and government officials regularly call on us or ask our ambassadors in the field: *What reforms do we need to make to become eligible for MCC funding?* To date, at least fourteen countries have established inter-ministerial committees and presidential commissions to devise, implement and track reform strategies that address our selection criteria. They share our core belief that aid is most effective in a policy environment where good governance as well as economic and human development is valued.

Second, aid alone is ineffective if it fails to enable countries to help themselves. We believe that our partner countries must play the central role in their own development. Our aid and our involvement must enable countries to build their own capacity to do for themselves. Therefore, we ask our partner countries to develop their proposals for funding after identifying their barriers to poverty reduction and economic growth in consultation with their civil societies, including the private sector.

Taking an approach much like an investor rather than a traditional donor, we require that countries themselves come up with their development strategy and provide their proposals to MCC, much like a business plan. If due diligence determines that their proposals are well integrated and comprehensive, we not only provide the funding up front but also ask countries to implement these proposals. And we ask that they work with us to monitor their performance and evaluate impact along the way. These expectations have stretched the capabilities in our partner countries and motivated them to develop new capabilities and also to think critically about what policies are needed or what institutions need to be strengthened or created to sustain development. They are building country capacity.

In Ghana, for example, one of the major obstacles to the successful implementation of development projects has been the lack of adequately trained public procurement specialists. The ability to procure goods and services in a transparent and competitive manner ensures the best use of public funds. The MCC is funding a procurement capacity-building initiative within the Ghanaian government, designed to strengthen the effectiveness of various procurement entities. By improving the efficiency of government procurement, substantial resources can be saved in future years—resources that could be directed toward health and education for the poor. Fair and competitive procurement also strengthens business confidence and encourages an open environment for innovation. Countries previously have not been expected to take on such an ownership role in their own development or to take on the level of responsibility and accountability that the MCC demands. Yet, we believe that country ownership is an absolute prerequisite if we are serious about leveraging our aid to make it more effective in the fight against poverty.

Third, aid alone is ineffective if countries are not prepared to continue without it. Through good policies and country ownership, we foresee the day when our aid can be replaced by the self-sustaining economic activity, driven and spurred from within a partner country itself by the private sector. We believe that the private sector fuels economic growth and countries experiencing such growth will see the number of their citizens living in poverty decrease.

We see MCC's role as transitional as we become the gateway to private-sector engagement. Even the most generous investment of American development assistance cannot be sustained unless favorable conditions exist for private-sector enterprise to flourish and become the engine for driving long-term economic growth. Because the MCC demands performance on indicators that evaluate fiscal, monetary, regulatory, and trade conditions—including the costs and days

to start a business—and insists on transparency and a rejection of corruption, we create a powerful incentive for countries to foster a business climate where the private sector can flourish and can do business. This stimulates homegrown entrepreneurship, small-business development and increased trade and investor opportunities, both domestically and for international companies.

In our compact with Benin, for example, the access-to-financial-services component is dedicated to improving the capacity of small rural enterprises to respond to new business opportunities by reducing the cost of credit and facilitating access to financial services. We expect that this will generate substantial new investment within five years, creating jobs, raising incomes and lifting the lives of the poor out of poverty in Benin.

By creating favorable business conditions through our compact with Nicaragua, MCC has already helped attract almost \$10 million of investment from outside firms, particularly Grupo Beta, a textile-manufacturing firm that will generate fifteen hundred local jobs; and we hope that this is only the tip of the iceberg.

We want others in the private sector to look closely at what is happening in our MCC partner countries. Because MCC investments create and require viable physical, financial and policy infrastructure, the private sector has a favorable point of entry to initiate or expand its own commercial activities. I encourage and invite the business community to leverage MCC investments and use them as a springboard for complementary investments of their own. MCC eligibility and selection have been viewed by businesses and investors as providing countries with a good government imprimatur—a “Good Housekeeping Seal” of approval—and have encouraged and attracted investments in MCC countries.

I also invite foundations and companies with compassionate corporate social responsibility initiatives to look carefully at MCC programs in countries in which they have an interest. In conversations we have had with the Gates Foundation and the Rockefeller Foundation, for example, we have identified a number of mutual synergies in our fight against poverty that are worth exploring further. I have no doubt that we can be more effective—all of us—in achieving our objectives if we work together rather than if we work alone.

Aid alone is not the answer to financing poverty alleviation. Aid that encourages and rewards good policies, expects countries to be champions of their own development and engages the private sector by creating the right conditions is the answer. And this is the approach the MCC is taking to reduce poverty among our partner countries. Initial results demonstrate that our approach is working:

Our compacts are lifting countries out of poverty by stimulating economic growth through infrastructure projects that make access to markets, schools and health clinics possible; projects to improve the security of land tenure for small farmers; soil conservation programs and improvements to agriculture and irrigation systems; business development initiatives, including microlending credit programs; and improvements to water and sanitation services that are all so vital to health.

Land titles are being awarded in Nicaragua and Madagascar—many to women.

MCC expects that women alongside men participate fully in creating, implementing, and reaping the benefits of our compacts, in keeping with our gender policy, which Women's Edge Coalition and its president, Ritu Sharma Fox, who I see here today, played such a significant part in developing.

Farmers in Honduras are transitioning from corn and beans to higher-profit crops, such as squash and jalapeños.

Farming cooperatives in Madagascar are growing geranium plants that will produce oil for soaps and perfumes.

Grants have been awarded for the first eight agribusiness development projects in Georgia that are creating new jobs, improving technologies, and facilitating market access.

And in Burkina Faso, girl-friendly schools are enrolling some thirteen thousand students, more than double the number from the previous academic year, with girls making up more than half of the student population.

The Millennium Challenge Corporation embodies government's effective role in applying new parameters and higher expectations to grant funding for development assistance to finance tangible outcomes that transform the lives of the poor. MCC seeks to fully leverage our relationships with our partner countries committed to sound policies and to engaging the private sector to reduce poverty through economic growth in sustainable and transformative ways. This is the solution that the Millennium Challenge Corporation offers, a solution that is already making progress and showing signs of success in replacing poverty with prosperity for the world's poorest.

Again, I want to thank you for allowing me the opportunity to speak to you today, and I look forward to your continued interest and support of the Millennium Challenge Corporation and to answering any questions that you may have. Thank you very much.

PLENARY SIX



FINANCING POVERTY ALLEVIATION: FINANCIAL SERVICES FOR THE POOR

MARY ELLEN; FOLA ADEOLA; LYNN PIKHOLZ; REEMABEN NANAVATY

THURSDAY, APRIL 12, 2007

MARY ELLEN ISKENDERIAN:

Good afternoon, I'm Mary Ellen Iskenderian, the president of Women's World Banking. We're a global microfinance network, and I am absolutely delighted to be addressing you here today on the topic of financial services for the poor. As my fellow panel members and I have been talking over the past few days, this whole conference, or much of it, has really been focused on financial services—not necessarily the entire part of the story in terms of service delivery to the poor; and I think you've got a wonderful set of panelists today to talk about different approaches and different deliveries for different services that go hand in hand alongside financing.

As a bit of a backdrop, I can tell you some of the trends we are seeing in terms of financial services, and I will shamelessly use my own organization as a demonstrator of that. We are seeing an enormous trend toward commercialization in terms of both the sources of financing as well as in the way our organizations are working. Women's World Banking is a global network of twenty-four microfinance institutions and then another twenty-four commercial banks that are doing microfinance. We are now seeing, at least in our network, that more than 50 percent of their financing is coming from commercial debt, with savings making up a growing percentage of that balance; and in most of our leading networks, and this is across regions—Latin America, the Middle East, Asia—we're seeing grant funding going right down to 1 to 2 percent of their funding in a year.

I was in India a few weeks ago and had a wonderful conversation with a local microfinance equity fund, Bellwether. They were noting that there is a direct correlation: the high performers in their fund are the ones that no longer have any grant funding in their operations. So you're really seeing a tremendous increase in the commercial push and in the commercial operation of financing in microfinance, at least.

From 2004 to 2005, commercial funding of all types went from close to \$5 billion a year to \$7.3 billion a year, and this is for all sorts of different purposes, both technical services as well as direct financing; and last year foreign direct investment in microfinance doubled in the one year. So there's a tremendous

tsunami headed this way. But financing is not the only part of the picture; and I think over the course of this last day and a half, we've heard that pretty consistently from other speakers.

We have a tremendous panel here, who are offering lots of different delivery channels and delivery mechanisms, and I'm going to turn the floor over to the first panelist, Fola Adeola, who is chairman and founder of FATE Foundation in Nigeria; and, as I can testify, he is also co-founder of one of the best private commercial banks in Nigeria: GuarantyTrust. So, Fola, do you want to tell us a little bit about your operations?

FOLA ADEOLA:

Thank you, Mary. I sat at my desk, and each time I needed twenty-five new employees I got applications from three thousand people. Then we created more hurdles. They would have to come and take an exam, come and do this, and at the end of the day I asked myself, *Where do the rest go?* We came to the conclusion that we could prove that entrepreneurship was a compelling alternative to employment and that only businesses create jobs. That was a plan on which we started our FATE Foundation.

In the past one and a half days, people have described the poor in their own various forms. I'll tell you whom we're addressing. We're addressing only college graduates. We're not looking at the poor in the rural areas; we're looking at college graduates, and we put a structure in place to get them to set up their own businesses or own their own businesses. The model is very simple. We have a classroom setting—not an MBA class—where we take you through basic business: What is inventory? What is receivable? What is conversion cycle? If you sell on credit, what does it mean for your business? We bring to that classroom people who actually do business on a daily basis. That lasts for five months. And then, while that is going on, we attach them to mentors—people who have done things successfully—believing that between people and success, sometimes you find inspiration. The third leg of our program is a loan support scheme. If the first three legs go well, we have a fourth leg; what we call post-setting-up-business consulting. The consulting is just to ensure that you continue to do business on the basis of best practices: your accounting system, your human resources system and so on. And all this is at cost to the participant. That's what we do.

In seven years, we have taken on 1,100 people to date who never did business before; who just came out of college or university. And we have taken nine thousand people who were struggling with their businesses, who were not prepared for business before they went in. We have 650-member alumni to date.

The downside of the model is that we hardly have enough money to assist those who want to set up their businesses. One, we decided that we would not invest in those businesses because we thought ethically that would be wrong. We've worked with the International Finance Corporation [IFC] over the past five years on different programs. And currently we have an interesting one where we have a lending organization, we have the IFC, and then we have FATE Foundation. And you can think of three circles: and at a point they all converge, and that's where we put the participant. The IFC is going to guarantee 50 percent of the loan that is extended to a FATE participant or a FATE graduate, if you want to call the person that. And what does FATE do? We continue to handhold that new businessperson and ensure that all of their business decisions are sound and not many things go wrong in terms of poor management of their business. Thank you very much.

MARY ELLEN ISKENDERIAN:

Okay, great. Next up we have Lynn Pikhholz, who's the president of ShoreCap Exchange; Lynn is very graciously stepping in for Laurie Spengler from ShoreBank. I'm sure she's going to have a lot to say to us about the technical services that they provide to microfinance institutions and banks in which they invest.

LYNN PIKHOLZ:

Thank you. I'm delighted to be here. And it's absolutely wonderful to be on a panel with both Reema, whom I've heard so much about, and Fola. Quite coincidentally, one of ShoreBank's international companies—there are three: there's a consulting company; there's the capacity-building not-for-profit, which I manage; and there is the investing company, which is called ShoreCap International—one of our latest investments was in Reliance in the Gambia. It was actually two start-up Gambian entrepreneurs who left their bank to start up a financial institution to address underserved markets, both microfinance and small business. And one of the people who inspired them to leave their banks was actually Fola, who met them at a coffeehouse somewhere in London; and I think he gave them the courage to take that step to start the organization, so it's fantastic to be with you on the panel. And Baboucarr and Ismaila are true energetic entrepreneurs whom we're delighted to be working with.

On the plane last night—because I'm just filling in for Laurie—I was thinking, *What am I going to speak about today?* And I thought there are three things worth mentioning. One, there's so much talk now about microfinance; what are some of the other critical gaps to address finance for the poor, and what kind

of microfinance? The second thing is that there's always so much of a focus on finance and financial return, yet we all know that to grow small businesses, and especially fast-growing small businesses—although these financial institutions aren't that small, they have many of the same issues—they need a capital-plus approach. They don't just need finance; they need a lot of other things. And as they grow faster, they focus very much on their portfolios. And what about their IT systems, which handled 3,000 and which now need to handle 10,000, 20,000 and 100,000 borrowers; internal audit; risk management; and governance? Human resources never keeps up, so you generally find that talent and management capacity is one of the scarcest resources. All of this money is going into the financial side and demanding a return; and often there is not enough focus on the capacity-building side; on how to design cost-effective and accountable capacity building, using many of the same business principles that we apply to capital. But capacity building does not see the financial return as directly, so it is imperative to leverage your capital investment so that you are, in fact, getting the return that's embedded into the system.

To move on to the critical gaps in microfinance. There are about ten thousand microfinance institutions in the world now. I thought that was a huge amount until Steve [Case] said that there are twelve thousand Starbucks, which made me wonder, *Are there enough microfinance institutions?* Regardless, that's a lot of microfinance institutions, but they are very fragmented, very disbursed.

There are seventy-four microfinance investment vehicles that, probably in the next year, are going to put on, together with the international financial institutions, around \$4 billion. A little bit more than half of that is from nonprivate investors; 75 percent of that is for debt and 25 percent is for equity. So immediately you see that all of these investment funds going after microfinance institutions are mainly debt focused. The 25 percent that are equity focused concentrate to a large extent on greenfield startup. Seventy-five percent of *that* money, which is I think about half a billion, is focused on startup institutions in a lot of these countries, which often are initiated and run by Westerners.

A huge gap in the market is the second-tier financial institutions, which cannot offer 10 to 20 percent returns within a seven-year period with an exit; yet it is local entrepreneurs who are completely committed to poverty, who've made a huge difference, are serving large numbers of customers, and are largely getting ignored by the market. That's not to say there aren't some players, even in this room, but generally second-tier financial institutions are not getting the attention that they should be getting, and locally owned and managed institutions are also not getting the attention that they should be.

In terms of products, I think there's an increasing focus on savings, and savings is often, for the very poor, more important than credit. I remember the first time I was in Bangladesh—and I've probably been there about fourteen times since—a little shop owner in Dhaka told me that poor customers come to him and pay him 1 percent to look after their savings because there's no other safe and convenient place. When I spoke to one of the savers who went to that person, they said, "I choose to go hungry on some days so that I can save for an emergency situation." Savings is a huge area that I think deserves a lot of attention when one is focusing on microfinance institutions.

Then there's the whole focus on microfinance and the close tie to poverty alleviation. I'm a great supporter of microfinance. Some of our partners are microfinance institutions, but most microfinance entities are in retail, and they tend to redistribute money within a locality. So if there's one tailor and you finance a second tailor, people don't have more clothes to sew up. They'll stop going to the tailor who has a dirty place and does not have fancy new sewing machines; they'll go to the new tailor, and money gets redistributed. So the tailor who lost business fires the worker, and the tailor who just got the loan and bought the sewing machines hires the worker. That's not to say redistribution in a local area is a bad thing. But if it's a local area with more concentrated poverty, what you want to do is increase the balance sheet of that community—you want to bring in *new* income. It's a small percentage of microfinance institutions that manage to do that.

A largely ignored part of the market is small-business banks. A lot of philanthropists can't see as easily the face of poverty because it's not a poor entrepreneur. The small-business owner is a slightly better off entrepreneur, but the job creation and the wealth creation ability of those small businesses is important. It's a false divide between micro and small. It's all along the spectrum, and I think much more attention needs to be paid to the small business.

And my last point—in terms of where the gap is on the market side—is that getting local capital markets to work and provide debt is really important, as is not having currency risk for these institutions.

On the capacity-building side, the company that I run is ShoreCap Exchange. It works very closely with ShoreCap International, and we do the capacity building of about twelve small-business banks and microfinance institutions. One of the most effective mechanisms we've found for capacity building—and I think this group more than anyone knows this—is peer learning and networking. We saw it in ShoreBank, our parent company, which has been around for about thirty years and grew from \$40 million to \$2 billion. It focused only on economically

distressed areas in the United States. One of its major product lines supports African-American entrepreneurs, who are often former bus drivers and teachers anything but skilled rehabbers to improve local housing stock. These rehabbers used to come together at ShoreBank and talk about the boilers that were exploding, who the best plumbers are and how to restore and revitalize old housing stock so you could make it available for low-income households. They were true entrepreneurs, even though it was rehabber lending.

At ShoreCap Exchange we're now running three forums for peers in the banks that we're supporting: one for human resource managers, one for lenders, one for risk managers and CEOs. We do them both in person and on the telephone, and the trust, peer learning and camaraderie is quite unbelievable. A lot of these entrepreneurs, especially the CEOs, are very lonely in these organizations, and they're all facing the same issues. With the human resource managers, the conversations the first few times start up on *How do you identify leadership?* and *How do you increase retention?* But as they build trust, you get the questions like, *Well, I'm really powerless in my organization, the CEO doesn't really care about human resources, and we don't pay a strategic function. How do we change and build that?*

We found that bringing people together—we have an event coming up in South Africa—both in person and over the phone has been a very effective channel. We've learned a ton of lessons about cost-effective technical assistance delivery, and made a lot of mistakes along the way. I'll stop there and if there are questions, I'll surely answer.

MARY ELLEN ISKENDERIAN:

Our last panelist is Reema Nanavaty, the director for economic and rural development and employment for SEWA, the Self Employed Women's Association in India, who's offering up a completely different set of services to the members of her network. I turn the floor to you, Reema.

REEMABEN NANAVATY:

Thank you. It's a great pleasure to be here at this conference. It's my first time here, and it's been a great learning and enriching experience. Today before you I represent the 963,000 women members, all working women, at SEWA. We are the women of SEWA who have confronted poverty, very often dire poverty, and yet have transformed our lives and livelihoods.

Since 1972, when SEWA was first founded, we've established new economic institutions, which include a SEWA bank, a SEWA Trade Facilitation Center and an insurance agency. More than thirty-two thousand members own economic organizations, and through these economic institutions we have changed social relationships and developed successful models for the future growth of our country; models that will also ensure women's participation in the future growth of our country.

The poor and the women in India, as our experience shows, may not have the money to afford a decent living—regular food, children's education and a proper house of their own—but they do have skills and know-how to design and launch their own economic institutions. At SEWA we harness this strength of our members to set up our own economic institutions. And our experience has been that once given an entry into the market, women can, and do, run these institutions on market principles.

In a very real sense, poor women in countries like ours are the untapped human capital, and their financial sustainability is our country's future. The profiles of the women workers that I'm talking about are vendors and hawkers, women who earn their living by vending small items on the streets, such as fruits or vegetables or small, miscellaneous cutlery. These are home-based workers, women who earn their living by stitching garments or old clothes in their homes or by rolling incense sticks or Indian cigars, which we call *bidi*. Or these are artisans and embroidery workers. Or women who provide manual labor and services, such as agricultural workers, small and marginal farmers, forest workers, salt farmers, or construction workers. The fourth category emerging in India is that of producers, women who invest not only their labor but also their own small capital to produce things that they then try to market.

At SEWA we strive to seek full employment and self-reliance for these women workers. By full employment and self-reliance, we try to seek work and income security for our members and access to basic supportive services, which are healthcare, child care, nutrition and shelter. We at SEWA call this "livelihood finance," which ensures livelihood security to our members.

From our experience we also feel that poverty is a form of violence, and it snatches away the freedom of expression and choice. It denies education and erodes the self-confidence of the women. Very often the poor, and especially women, are defined as passive and ill-suited to the pursuit of equality; and we strive to bring a new definition to the informal sector of women workers.

At SEWA we try to address these corrosive effects of poverty with an integrated approach. This is: organizing to increase the collective strength and the bargaining power of the women workers; capacity building, in terms of leadership, managerial, financial and administrative capacities; capital formation, resulting in assets, resulting in access to tools and equipment; and social security. These four components are the pillars on which we build our members' own economic institutions, which equip them in their fight against poverty. But our experience also shows that the four stand together; they are not linear or parallel. They all have to work simultaneously—but at the pace at which the poor and the women are able to absorb it. This in itself becomes an empowering process for the poor and the women workers.

At SEWA we always believe that the poor alone cannot fight their battle against poverty, and therefore government has to be a partner in our struggle. We try to identify the issues and the needs and link them up with the government programs; and we sometimes also help create more programs, but we also believe in the primacy of local ownership and knowledge of the communities around which the programs have to be built. Therefore from the very beginning we have spearhead teams, which are the local leaders' own teams, who are groomed to become the managers for the planning and the implementation.

But when the poor grow, nobody is happy. So far in this journey of the past three decades, our partnerships with the government have grown. But when the poor grow and gain strength, they also invite a lot of brutality and they become a threat to the government. When the poor are small, everybody is happy as a demonstrative example; but when the poor grow, they become a political base and a power base. Therefore SEWA is now at a crossroads, where we are transitioning from a developmental organization into mainstream, market-led organizations of the poor, and I think this is a process. When you are leading a developmental organization, and when the poor are leading the whole process, and then you are transitioning into a business organization, again which is owned and managed by the poor, it is a whole process.

Building the business organizations of the poor calls for investments. I think this investment needs to be in designing systems, in designing processes, in capacity building, in market research, in the use of information and technology to build these organizations. And the IFC—especially the Grassroots Business Initiative [GBI] of the IFC—has been surprisingly one of the institutions of the World Bank that has helped this process. In countries like ours, we always fear the World Bank, which comes and somehow damages and destroys what we are trying to do; but the GBI has been our partner in this whole process of building business organizations of the poor.

And we now have a SEWA Trade Facilitation Center, which is a company that is owned by the fifteen thousand artisans themselves, who are also the shareholders of the company. The IFC invested in this process of growing a vibrant local but globally linked business organization that is standing proudly in the marketplace with a brand of its own. It needs investment in raising productivity, in setting up multiskilled developmental schools; it also requires access to capital, suitable market links, and better terms of trade. We need research and development, and we also need to do product development and diversification. These are the challenges that one faces when the poor are trying to build a business organization of their own.

I would also like to say that we are a cooperative and a collaborative institution, and we do not believe in standing isolated from traditional organizations or from government. We believe in building partnerships, both with the government as well as with the private sector. But this is a partnership for business. It's a win-win situation. The private sector needs to invest in designing the appropriate systems and processes so that the poor can learn to manage their own business; it also provides business opportunities for the private organizations. However, we also believe that these institutions have to stand for open governance and lead the way to best business practices, which includes social goods.

At the same time, these are the organizations that also protect the poor from economic insecurities and help them achieve economic freedom in a democratic community. And this is really what one has to understand: that it's a business, but with a social cause, which also empowers the poor themselves and offers them opportunities for more and more employment—what we at SEWA call the “second freedom.” We do have political freedom, but the freedom from hunger and poverty, the freedom of economic security, this is the second freedom. Thank you.

MARY ELLEN ISKENDERIAN:

Actually, Reema, if I could keep you on the hot seat for just another moment, I think this audience would find a concrete example of one of the corporate partnerships you have in the Trade Facilitation Center particularly interesting. We've heard so much about the need for access to market, and certainly at Women's World Banking we find that women's microbusinesses really, really founder when they try to scale up, in large part because of lack of access to markets, and some of the work you're doing has addressed that point particularly.

REEMABEN NANAVATY:

We have several examples. It's a bit difficult to decide which one to start with, but I'll give one proper example. People in countries like ours jump when we hear the name of Unilever; especially trade unionists all jump and say, "Oh, my God, you are trying to work with Unilever!" We have a Unilever subsidiary in India called the Hindustan Lever, and they approached us, wanting to use our large membership base to have a rural penetration and develop a rural market. And we said, "Thank you so much, but we also are all producers; we're producing all our things, and we are struggling to have market access, so this is our proposal: why don't you first help us design our own rural distribution network; and once this network starts working, and if the demand for Unilever products emerges, of course we would be happy to partner with you. Would you be interested in helping us design such a distribution network?"

Of course Unilever couldn't turn this down because it also saw that this is such a huge marketing network. So this is the fourth year of our partnership, and Hindustan Lever helped us design the entire rural distribution network. We have salt farmers who are producing salt, and we have small and marginal farmers producing agricommodities. We have families who are producing handwoven fabrics; we have people making soaps and candles—and we were struggling for market. So Unilever helped us design the procurement systems, the pricing, the grading, the sorting, the packaging and the branding. And today we have a brand of our own, called "RUDI"—which means gentle, pure and beautiful. We procure from about 325,000 small producers now and redistribute it amongst our 963,000 members and their households. We now have achieved a turnover of about 15 crores of rupees [1 crore = 10 million rupees], which is generating direct employment for about twenty-six thousand households. Unfortunately, I can't translate it into U.S. dollars because we still don't deal in dollars, but hopefully in another five or ten years we will be in the international market.

These are the kinds of partnerships we have; and in doing that, now we have entered into partnerships with six other corporations, into making electrical appliances, into making bicycles—and women also borrow loans from the banks to buy these things and become the local distributors. We at SEWA call it "second freedom"—economic self-reliance. Today more than eighty thousand rural women and their households get work and employment through these partnerships.

So, globalization in countries like ours also brings newer opportunities, and it's these kinds of partnerships that will equip the poor and their organizations to take advantage.

MARY ELLEN ISKENDERIAN:

Fola, I was particularly interested, and found your model so very compelling, because it says so many services are provided before you even get around to talking about financing with the entrepreneurs that you're working with. There's the mentorship and there's business plan assistance; I'm just wondering, when you're working with donors and funders, is there a particular way they can structure their assistance to you or to the entrepreneur to support that continuum of services that you're providing the entrepreneurs?

FOLA ADEOLA:

Our purpose is to get people who have been trained to remove themselves as scum of society. If you take a normal society, it is typical that the police are less educated than college graduates on average. If you keep those people idle and unemployed, and they go into crime, the people who are going to solve that crime are weaker intellectually than the people who are causing the crime. So you have crisis in the society.

Our system is to create an environment where jobs are constantly being created. I'll give you an example. Of the people who have gone through the main program, 65 percent of them have gone ahead to create their own businesses. Of the 65 percent that created their own businesses, 70 percent have had a success story of over three years. The average recruitment, the average staff of a company that has started from FATE, is four by 2007. So, each one person who was looking for work has become an employer of four people who may have been looking for work.

Now, where can we cooperate? FATE is headquartered in Lagos. Lagos itself has a population of about 10 million people, and we have just one outlet. We could have ten FATES in Lagos alone, not to mention the rest of Nigeria, which has a population of 140 million people—they are not necessarily all FATE targets, but it gives you an indication of the numbers we are looking at. So we've been asking ourselves the questions, *Should we scale up? How do we scale up? Can we scale up?*

That's the point that we're at now. But we're afraid of one thing called overhead. You open another outlet somewhere, then you employ somebody else there and you start paying salary, and before you know it you are eating into your endowment, and the original idea does not sustain. We want to create an organization that is sustainable, and that is why scaling up has been a bit difficult. In terms of

the existing organization itself, we need to standardize materials and not leave teaching or coaching simply in the hands of those who are doing it with us. That requires a lot of investment; we're struggling with that.

We also need to leverage technology to be able to get to areas where we don't have quality people to address some of the issues that we are raising. It is hard given our disadvantages, we don't have infrastructure here and there, and we're not even rural in nature, we don't go to rural areas. But even in some of the urban cities, or the suburban cities where we may have target clients, we don't have infrastructure to those places. So those are limiting factors.

In 2002 we thought we could take over or assist entrepreneurs with some of the huge costs of setting up businesses. So we set up an incubator and let ten or twenty people come and share facilities. It didn't work. And we kept asking ourselves why it didn't work; there are so many reasons. Then I was told that there is somebody here who has done incredible work on incubators, and his own incubator is working. We would like to partner with such people to teach us how to make incubators work. When you operate in an environment where there is no energy, or no constant energy—you'll be lucky to get three hours of electricity in a day—you need a generator in order to start a business. When we're talking about small businesses, how many generators are people going to be able to buy? With an incubator we can set up all these things—a telephone system, an Internet system with broadband and so on—and our kind of client can lower their cost of starting a business. You allow them to use the incubator for two to three years maximum to get themselves to a point where they can afford some of these things on their own, based on the cash flow of their business. Those are the challenges that we are currently facing, but we're struggling.

MARY ELLEN ISKENDERIAN:

I think, again, one of the real benefits of this particular panel is that we've had organizations that have been around for a while, and Lynn already alluded to some of the mistakes they've made. I wonder if each of you, starting with Lynn, could tell us about a mistake you made, or a place where you stubbed a toe, and how you adapted and changed your business model and your delivery system to deal with the lesson you learned.

LYNN PIKHOLZ:

Yes, it's hard to choose one mistake. I think one of the biggest lessons that we learned—and it's probably so obvious, and a lot of the things that work are obvious, but they're hard to put in practice—is getting the trust of the CEOs of

the organizations so they accept technical assistance. They say they want it, but it's been quite hard for these institutions to open up and actually embrace it, especially depending on the culture and the climate in a lot of countries, such as Armenia and Cambodia, and in other environments that aren't used to having Western consultants. What we've learned is that there is no one right way, and you can really turn things totally on their head.

Everyone tells you that you don't want to give people fish, right? You want to *teach* them to fish. Well, one organization in Cambodia needed fish. Basically they needed us to go in and work to give them a leg up because they were so overstrained and under-resourced—growing at a hundred miles an hour—that they needed us to actually do the work so that they would have some kind of base and momentum to move on.

In another example, in Kenya, we're on the ground there, and we know (or we think we know) that the priority is ABC, but the CEO says, "No, it's DEF." We know that we want ABC done and that it's critical to the success of the organization. The portfolio is the biggest asset base, and parts of the portfolio were really suffering and needed attention; but that isn't what the CEO wanted to address first. So we addressed what the CEO wanted to address first. We did it, we did it fast and we developed credibility. He was very happy, we built trust and we could move on and gain acceptance to do things that he came to truly value as well.

Other times we've put Western consultants into particular countries, in Armenia and Cambodia, even though they've been absolutely outstanding they say, "We don't want Western consultants; just give us local, regional Asian consultants. There are pretty smart people out here." We know there are, but it's hard for us in the United States to know exactly who they are. How do we find those people and put them on the ground, and then make sure that they have access to all the support they might need, if they need it, to be able to succeed?

When we started, we were told, "How can you just go in and out in three weeks and think you're ever going to make a difference at a financial institution? You should always be there for a long term." But think of all your companies. Do you want some consultant sitting in your company for a year helping you grow? No. If you're smart and savvy—and those are the entrepreneurs we're betting on in these financial institutions—you want somebody to just come in and get out, right?

BRAC Bank in Bangladesh, for example, they're so smart, and they're ready to completely run. They're just running so fast they haven't had a chance to focus on a couple of things. So you rechannel their head set for ten minutes, or three weeks, or whatever it is, and they get it, and they implement it. Whereas another

institution, where there's an enormous transformation from a non-government unregulated entity to a regulated microfinance institution, it's huge institutional change. You're introducing a small-business lending program where people have always just thought of collateral; and suddenly you're underwriting cash flow with people who either don't have any financials, or have three sets—one for the tax authorities and one for whomever else. That's long-term change where you need people on the ground for a long term.

MARY ELLEN ISKENDERIAN:

Reema?

REEMABEN NANA VATY:

From our experience the first thing is that the poor cannot afford to make mistakes and fail, because if they fail then they are wiped out completely. Therefore, the poor have to continuously innovate and to turn a mistake into a developmental opportunity. The biggest lesson that we've learned is never partner with a government in a large program because that could completely paralyze us. If something goes wrong in the partnership, if there is a mistake, it can completely paralyze the whole organization.

But even then, I think it's the poor and it's their collective strength that prevail. When our State Government stopped all funding for our members, the women said, "So there's another drought year, but who's going to snatch away our hard work and our inner strength?" That's what we have—and the know-how. And in eighteen months' time we turned it around. We borrowed from the local banks at a 12 percent rate of interest, and all the activities have been continuing. So the biggest lesson we've learned is that it's a constructive struggle—you make a mistake, you are hard hit by it, but you then turn around and your struggle then goes on; that is "second freedom."

FOLA ADEOLA:

Most of you have heard about the Niger Delta area in Nigeria, more in terms of crises and kidnapping and so on. We took part in the Development Marketplace Competition that was organized by the World Bank, proposing that we were going to put FATE foundation and what we do in the Niger Delta area to assist youth in that area acquire knowledge and set up their own businesses. We won the competition and had access to the money to set this up. When we set it up nobody came. So we began to advertise, which we didn't need to do in Lagos.

We had this infrastructure in place, we had people set up but nobody came. We began to ask ourselves why.

In that area, crime has become profitable. So why do you leave something that is fetching you money to learn how to do business? It was easier for them than what we did. So we then learned that before you go into any area, you have to study what the environment is like. Fortunately, we remained there because we also felt that if we didn't do it, it was going to be fraudulent in a way because we told the world that we were going to do it, and money was provided; so we kept it there and we kept going, and today I'm happy to report that a few people have started coming, and it's making it worth our while. So sometimes you want to stretch yourself, but the person you are stretching yourself for says, "to hell with you." That is one downside.

The second one is what I have discussed before: you set up an incubator, equip it and before you know it even the businesses that are supposed to be incubated in there leave before their time, and then again you have this overhead. Whether it's the location or the fact that people don't want to work together, again, is something that we need to study to be able to understand; but, by and large, our model is working. The most challenging downside is that we're hardly ever able to support those who go through the program with the capital to drive their businesses. There are people even after this experience who are still hanging around, unemployed and not entrepreneurs because they don't have the means. And we are hoping that some of the ideas that we are working on now, particularly with the IFC, will assist some of them to get something started. Or we'll review our decision—that we may begin to invest in those businesses—but we're not there yet. Those are the issues that I can recall immediately. Thank you.

MARY ELLEN ISKENDERIAN:

And before we send you off to the break, I have a late-breaking announcement through the courtesy of a Google colleague that 220 crore rupees is approximately equivalent to \$44 million, so that gives you a sense of how much of a license fee we're looking at. So thank you very much.

PLENARY SEVEN



FINANCING POVERTY ALLEVIATION: BUILDING SUSTAINABLE ECONOMIES

LAEL BRAINARD, JO' SCHWENKE, ALI A. MUFURUKI, ALAN PATRICOF

THURSDAY, APRIL 12, 2007

LAEL BRAINARD:

We're going to spend this second session in the afternoon on what it takes to build sustainable economies. As you can see, we've got Ali on drums, Jo' Schwenke on acoustic guitar, and Alan Patricof on the bass, so we're ready to go. Give them a hand!

As you heard here last night—I think Larry Brilliant said it—having a job is at the top of the wish list for poor people wherever he goes; in fact, surveys suggest that people rank having a job as the highest mechanism for improving their lives. It's also true for leaders of poor nations. That's why we see things like the NEPAD initiative—the New Partnership for Africa's Development. Job creation is right up there on their priority list. Who creates those jobs? If you scratch the surface of any successful job generation machine, you'll find a dynamic group of entrepreneurs who have risen from startups.

In the United States, as we all know, small businesses provide roughly three out of four of the net new jobs added to the economy. By generating jobs, serving the underserved, promoting innovation and spurring productivity, the development of the indigenous private sector can raise lives throughout the economy. Here we're going to focus on those enterprises that are in the middle of the spectrum, those that are likely to generate employment to go beyond the family in terms of jobs creation, the most likely to result in innovation and investment and, ultimately, capital investment. But if small enterprise is the sweet spot for job creation and innovation, financing for this group is what we might call the “missing middle” in so many of these economies. Those enterprises within the sector with the greatest potential for growth are still too small and unproven to depend on commercial financing or internal cash flow and too large to rely on most of the financing mechanisms that are available to them—namely, family and friends or short-term, high-interest-rate loans from banks.

As you know, in sophisticated markets like we have in the United States, a promising business could attract patient risk capital from venture funds or angel investors bringing with it strategic oversight, which is virtually nonexistent in a lot of poor economies. If you think about it, if Google had to rely on the kind of financing that's available in most African countries, I don't think we'd be sitting

here at this very lovely campus tonight. And so the question is, *How do we get from here to there?* And the panel is here to tell you and show you by their own experience that it's possible and that it's imperative to overcome these obstacles. With that, we're going to have a conversation among the panelists.

Let me start then with Jo' Schwenke, managing director of Business Partners, who's been helping to finance startups for more than twenty years. And if I have my information right, he has financed about thirty thousand businesses at this juncture. Tell us what it takes to nurture and support successful entrepreneurs in poor markets.

JO' SCHWENKE:

Thanks, Lael. Perhaps to put this into perspective, if you look at the slide behind me, you'll see that I put the entrepreneur in the middle. When we seek out people to support, we look for integrity, we look for doing skills, we look for business skills, we look for entrepreneurial talent, willingness to take risk, passion, mission, vision, determination and energy. There isn't a single entrepreneur or anyone who succeeds who doesn't have boundless, boundless energy. Even with all of that, if you happen to be trying to run a business where there is no deal flow, I'm sorry, you're not going to succeed because you need deal flow. So you will see at the top of this slide I've enumerated the sources of deal flow, which come from big business.

Remember, I am a small-business financier, so big things create opportunity for small and medium businesses. Big agriculture is very important. And lots of little agriculture might result in big agriculture, when you think about it, provided it's done reasonably well. Big manufacturing, big mining, major tourism, modes of transport, seats of learning, seats of bureaucracy, both government and the corporate sector—all those create opportunities. You'll say, *how?*

Take the fact that Google came here and created a campus of ten thousand people. Now ten thousand people have to be fed, entertained, have their bicycles fixed, have all this wonderful art they have in here made, they have to be entertained and they have conferences from time to time. All of that is done by entrepreneurs, by the sort of people I would finance. Without those stimuli, there would be nothing. There would be no opportunities for small and medium businesses. It's important to remember: some of you have been saying in earlier sessions that the best way you can help us in Africa is to trade with us. Give us opportunities to trade because that in turn will create opportunities for the entrepreneurs that we finance.

Inward investment, provided it's done properly, is where the big investment comes in. If you put a Google factory in Mali, for example, they need to support that factory by buying supplies, which will create an incredible stimulus. And the multiplier will start working. In addition to all of that, for small and medium businesses to be successful there are these extraneous factors, which, if they don't exist, make our lives very difficult.

Human capital. If a primary, secondary and tertiary education and training are not there, if the stimulation of entrepreneurship is not there, if innovation isn't stimulated, if there are no universities, a whole source of ability for small and medium businesses is taken away.

If you look at the governance issues, imagine investing in a country where you cannot enforce contracts. This is inconceivable to Americans because I think you do use your courts quite a lot.

Social and political stability, security—things that are very dear to all of us. There is no tourism without stability and without law and order. And, of course, corruption adds a huge layer of cost. Quite frankly, most, if not all of us, just refuse to go and do business there.

Infrastructure. If you've traveled in Africa, if you've driven from—we were joking about it the other day, but it's literally true—Nairobi to Abuja, you don't drive on the road, you drive *next* to the road because the potholes are smaller next to the road. And they're nice and round; not tooth cavity-shaped.

The tax regime is also very, very important.

One thing that has been sorted out is cell phones—problems with telecommunications are, to a very large extent, a thing of the past. Wherever we are in Africa now, we can have normal, easy conversations.

Energy. A friend of ours on the previous panel was talking about power failures in Nigeria. We in South Africa, to our absolute horror, had some power failures recently, when our nuclear power station had one of its sets fail. It adds huge cost, to start hiring generators.

Last but not least, sensible financial institutions do help. So you can see, my organization plays but a tiny part in all of this. All of those other factors are important, and it does give all of you enormous scope because you can support much of that, because you'll see that health is also one of the issues, and the human capital, and, of course, the all-pervasive climate change is there as well. There's huge potential for help and to make it easier to finance small- and medium-enterprises [SMEs].

LAEL BRAINARD:

Let me now go to the other side of that financing relationship. Ali Mufuruki is the chairman and CEO of Infotech Investment in Tanzania. Ali, you've started up a number of businesses in Tanzania, and you've had successes, but I've also heard you talk about challenges along the way. Tell us a little bit about those obstacles and what the critical enabling factors were that ultimately allowed you to succeed.

ALI MUFURUKI:

Thanks, Lael. The story that I'm going to tell may sound boring to you, given that you live in a place where the business environment is so mature, where almost everybody, including children, understands business models, understands finance, basic finance, at least, for business. I come from a country that until recently was socialist run, where business was not encouraged, and not even studied; and we still have serious challenges in terms of finding people who can help you run a business when you have a good idea of running one or you have money to run one.

So when eight years ago I got an opportunity to own and operate a franchise of a big South African brand in my country, I had a number of problems that I had to overcome: first of all, to get the money that I needed. I couldn't get the money from the bank, but there was a venture capital fund that was willing to invest in my business. But they wanted to invest on the condition that *I* run the business. I was a bit worried because I'm an engineer by training and I didn't have a lot of experience running a business of the kind that we were about to start. But the condition was either I run the business—because I was the only person they knew, and they could trust me with the money—or there is no money. So I said, "Okay, I'll do it."

They said, "You have to take out insurance because you could die." They said it was called "key money insurance." I was wondering, *What's wrong with these guys?* So I took out that insurance. And then they said, "You have to have a proper board that receives the business and gives policy direction." I was beginning to get irritated at a certain point.

That was not my notion of running my own business. Before, when I had run my own business for about ten years in the IT [Information Technology] space, it was easy to run. I didn't need a lot of help—I sold the knowledge I had. Now I had to buy things and sell things, I needed more money, and these guys were very intrusive in the way they wanted to partner with me.

So we set up a board. Then they said, “You also need to sign up to our business principles that forbid you from engaging in corruption and evading taxes.” And, “Oh, by the way, you have to be audited by one of the big five companies.” There were so many conditions.

To cut a long story short, because I didn’t want to fail or give up, I said, “Okay, I’m going to comply with all of the conditions that you are imposing on me, and we will see.”

In this business that I started, I had a friend as a significant shareholder. He is also a Tanzanian who is a self-made businessman, very successful in what he does, but very traditional. He did not like the idea of having a board where these venture capitalists had a seat, and came to lecture us about what to do and what not to do. Every time we would leave a board meeting, my friend would tell me, “Why don’t you just ditch these guys?”

Not being an MBA, and not being very skilled in running a business, I saw the value that these people were actually bringing to the table. I saw something that I wanted to learn about being more professional, being more disciplined. And I could see that by having them on board, I got more respect and credibility with financial institutions that were providing us with the loan part of our business. I was learning something interesting that I didn’t learn at school or did not have an opportunity to learn in my previous business experience. It did not prevent me, as CEO of the business, from failing two or three years later. Certain things happened in the business and the retail space in our part of the world that I had not foreseen, and sales collapsed, stock was overflowing everywhere and cash was getting very tight.

But working with the venture capitalist partners and the core staff that we had built over the three years, we were actually able to come up with a strategy to fix the problem, stop the losses, and turn the business around. Now, looking back eight years after we started, we’ve already bought out the venture capitalists, turned around our business, we are making money and we are operating in two countries, not just in Tanzania.

I learned one important lesson: that you don’t solve a development problem like the one that I faced, by throwing money at it. You have to create local capacity. You have to create local leadership. That’s what these guys actually helped me create. In the process not just me, but also a lot of people in my business, who are Tanzanians, or who are Ugandans (we are in Uganda now, where we also have a business), got an opportunity to learn how to run a business using modern business principles, being very transparent with authorities, being transparent with staff and knowing how to fall and get up again when you hit a hump on the road.

That is an experience I thought I should share with you. As I said, it's probably boring for you, but for us it's an everyday experience that is not normal, that a lot of people are still learning to grapple with. But it is something that we need: capacity building in how to run businesses, create local leadership and create local capabilities to be able to run businesses.

LAEL BRAINARD:

Terrific. So, Alan Patricof. I think everybody now knows Alan is currently founder and managing director of Greycroft, but he also is one of the architects of the venture capital industry in the United States. He has made some good investments—though he failed to invest in Google at the right moment—but we'll forgive him that!

You've also been a proponent for entrepreneurship really for your entire life. I know that you're now particularly concerned that the opportunities for entrepreneurs in the developing world are extremely limited because of the lack of appropriate capital. Can you talk a little bit about that limitation and suggest ways that we here in this room can do something to address that problem?

ALAN PATRICOFF:

Thank you. There are two shoe salesmen who are sent from the United States to go to the most remote parts of Africa. One of them calls his boss on his cell phone and says, "I'm coming back tomorrow. Nobody here wears shoes." The other salesman in another village calls up his company and says, "This is the greatest opportunity. I'm moving here. Everybody needs shoes."

Everybody in Africa metaphorically needs shoes. The opportunities in the developing world are enormous. For everything you see around you, whether it's the carpeting, whether it's the tables, the microphones, the lighting or the buildings and so on—all of those are opportunities for the right type of people, the right entrepreneurs, to build organizations in the developing world.

For the past four or five years, as I mentioned before about Harold Rosen, I've traveled with Harold and other organizations, and I've been all around the world, mostly in Africa. I've visited many small- and medium-sized businesses and have listened to their problems and their frustrations. Without exception it is a continent—Africa in particular I'm going to focus on—where there is enormous frustration. Maybe there's enlightenment that's taken place over the past couple of years, but microfinance is the flavor of the month.

I can't tell you the number of times I've been at meetings like this, and everybody talks about small- and medium-sized enterprises and their talks about their microfinance bank, their microfinance secured lending, their microfinance activities. For those of you who don't know—and I may be off and I can be corrected, but I'm not that far off—the average microfinance loan is about \$300 or \$400. I see some people shaking their heads, so I'm close. There are organizations today that will, as I understand it, go farther up to several thousand, and, in some cases, I've heard of a \$10,000 loan.

Most microfinance loans are at very high interest, have very short maturities and are given to subsistence-living businesses. They're businesses that employ the person who gets the loan, maybe their wife or husband, their children; and it's very small, contained in a very small area and it has very little potential for exponential job growth. You don't build businesses with \$10,000 or certainly with \$350 loans. You don't build long-term sustainable businesses with loans.

I will make this with some qualification because you can never be 100 percent correct, but I will say that I have seen virtually no business in my travels in the developing world that was financed with pure equity. Everybody is working with borrowed funds, which for the most part have high interest rates, and for the most part are secured by all of their assets. They're short-term and they have short amortization. I will say again definitively: you can't build businesses when you're paying interest from the outset and when you have to retire it on a short-term basis.

You're on the Google campus. Google was financed with equity. I didn't invest because I never had the opportunity to invest. And I can't tell you I would have because I can tell you privately the ones I turned down. This one I didn't turn down—I just didn't see it. If I drew a line 50 or 100 miles from this point we're sitting at, there are thousands of businesses; I will give something to anybody who will go in any door unannounced and ask them if they started their business or built their business on anything but equity capital. I've been in the venture business for thirty-seven years, I've operated in twelve countries—not just the United States; I am part of the industry that has backed thousands of companies. I have *never* seen a company financed with anything but equity. I've traveled all around the developing world, particularly in Africa, and I have virtually—there I'm using the modifier—virtually never seen a company that was financed with anything other than debt.

It seems to me there's something to be learned from that. In the U.S. we have the greatest, most successful entrepreneurial environment in the world, tremendous success stories, Google being one of them—all based on risk taking. The reason they're based on risk taking is because if you fail with equity capital, you can go bankrupt, but you have the opportunity to come back again, and still keep your house, your car and all your assets, and start again. You will read in this country and in the developed world countless stories of people who are serial entrepreneurs, who have failed once, twice, and three times—it's like marriages—and come back, and sooner or later you get it right. As a matter of fact, it's a sign of maturity, it's a sign of experience, when you have failed in this country.

So I have spent a lot of time in the past several years focusing on the need for equity capital in the developing world. I have made a cause of going around and trying to encourage people to think about equity. The reason they haven't put equity in is because the exits are limited. We're at a stage of development in the developing world where this is not a place to get rich; this is a place that is designed for people like all of you in this audience to invest equity and prime the pump. You may not realize it, but the venture capital industry in this country really took its origins from foundations. The first people in this business were Venrock, part of the Rockefeller family, John Hay Whitney and the Mellon family. They were the people, foundations and endowments—not the AT&T and General Motors pension funds—and to this day they have the highest concentration in this area of investment. The foundations were the ones.

You heard Larry Brilliant last night say, "They want jobs." You heard Tim Wirth say, "We can't look at this from 30,000 feet; we've got to get close down." The only way you create jobs is to create businesses that are built to have a multiplier effect. There are hundreds of graduates coming out of the business schools in Africa—whether it's Lagos, or Capetown or Nairobi—and most of those people are not finding jobs. If they want to start something entrepreneurial, they are frustrated, and they're not getting the opportunity. You also have hundreds of Africans in this country who are coming out of business schools, and most of them are not going back home. Why? Because they don't feel they can get the financing to start businesses and use their skills; and it's easier to go to work for Goldman Sachs.

I gave a talk recently at Columbia to a seminar of seventeen students from Africa, and I asked, "How many of you are going back?" Not one of them. Not one. That's a tragedy, and the reason is that if they are a Larry Page or a Sergey Brin, there's no one around who's going to give them that kind of capital. If they built a small business and they want to expand, and they've done all the right things, no one is prepared to give them the equity capital. They can get the debt, in

small amounts, for limited time periods and at high interest rates. I think this is a place that all of you in this audience should be thinking seriously about if you really want to help in job creation. And I'm not talking against microfinance. It is critical and it is serving a very important function, but it is not going to build the kind of businesses that are going to employ thousands of people over the years.

Look at how many people Google has. Google is not even nine years old and it employs ten thousand people. And who knows if there is someone in Arusha [Tanzania] who is a potential Google-like technology person. We heard someone today say that we need hybrid types of organizations. There are concepts that involve 501(c)(3) contributions, pure equity, technical assistance—you've got to bring them all together, technical assistance is a critical area I urge you all to think about.

I know Jo' Schwenke very well. Jo' has done a truly amazing job. Ali and I did not know each other well before, although I know about him because he's part of the Aspen Leadership Institute for Africa, which I've been somewhat involved with through TechnoServe. I've been to Africa and I've seen Jo', and I know what he's doing. But he's dealing with lifestyle entrepreneurs. He's not dealing with the Larry Pages and the Sergey Brins, or the Steve Jobses, or the guy who builds tents we're sitting under today and wants to have five hundred of them. I was in Africa not so long ago, and I met someone who had a business of renting toilets to parties. He had 300 or 400 toilets. That's a business. And he wanted to expand, but he couldn't get capital to expand outside of the city he was in. Now it may not be exciting, and it may not be dramatic, but those are the kinds of businesses that can employ more people. And I'll rest with that.

LAEL BRAINARD:

All right. Well we heard it here: you don't build businesses with loans. But Jo', you do. So tell us a little about your model.

JO' SCHWENKE:

It's all about terminology. We don't get hung up about equity or loans. If you go to the entrepreneurs in Africa, they don't want you to take their equity. They don't want you, when you finance them, to take 80 or 90 percent of the ownership of their companies. So what we did after a while was restructure the deal. We work out the internal rate of return [IRR] as if we'd taken a fair deal and taken our fair share; we then restructure with minority equity, which is the kicker; we give a loan at prime, and we take the rest of our money in the form of a royalty, which we take after carefully modeling conservatively their cash flow when the business can afford it. So it's all about terminology.

If Google had come to us and I had the wisdom to see that it was a winner, I would have done Google, and they would have probably been happier with me because I would have taken a smaller shareholding. Although, I could have made a lot more money if I had taken a bigger shareholding, because at the end of the day the royalty that I take would have been an IRR that I predicted, not the IRR that eventually this business made. We did a little sum, and I think they have multiplied that original \$25 million a thousand times. That's a success.

We don't have that sort of wonderful success in Africa. But I think the important issue is this: if you are looking for up to \$2 million U.S. in South Africa, in Madagascar, in Kenya, and soon Mozambique, where I operate, you will find capital to start or expand your business in the nature of equity. And that is what it's about. *How do we behave?* Not, *What do you call it?* How do we behave. We will not close you down. We will not behave like bankers. We are not bankers. We are investors. We like to say, "We have a head, and we have a heart." We were founded by an industrialist. We are what I think you guys have been calling a hybrid. Dr. Anton Rupert founded us, and his intention for our business is that it is a for-profit but that all the profit gets plowed back. So we've grown our company from something like \$178 million to \$2 billion, and we plow it all back and we keep doing our business. And when our bonuses get calculated, 60 percent depends on how profitable we are, and 40 percent depends on how developmental we've been: how many women we've financed in our country—growing the black ownership of businesses is a big issue.

In the other countries that we operate in it is important that one doesn't finance yet another foreigner in those countries, but local people. So we do care about getting the local people going. It is true that we do mainly lifestyle investing. And that is what it's all about. If you take a walk down any of the streets in your country, or any of your industrial areas, or any of your service office blocks—those are lifestyle businesses. That is what the middle class is all about and that is what's missing on our continent. We do not have a middle class. We do not have a SME sector. So we need scale.

I can't go about running a venture fund and doing two, three or five investments a year. I do a thousand investments a year. We are members of the South African Venture Capital Association, and we mess up all of their statistics because we do three-quarters of all of the deals. So they show the figures with Business Partners and the figures without Business Partners because we bring the average down, because we do so many deals. But I think the important message is that it's not about *Is it Alan's model or Jo's model*. It's both. It's *and*. We need a fund like Alan wants, but more important you've got to get him to run it *because it's about the people running the fund*.

You can't have a banker or a youngster running a venture capital fund in Africa because they won't know when a "Google" comes to them. That is the other issue. I have that problem in my business where the decision-making is a lot easier. I have guys with 10 to 20 years' experience running the fourteen funds that I run. Below them, I have a level of guys with 5 to 10 years of experience, and then I have the youngsters. I have about three hundred people working in the company. So at the end of the day it's about bulk, it's about volume, it's about building people. We've financed, as Lael said, thirty thousand businesses, and we've created—not we, the entrepreneurs have created, so we have helped them create—five hundred thousand jobs. We estimate that we have created wealth in the hands of our entrepreneurs of about \$4 billion to \$5 billion U.S. We are very proud of that. So it's *and*. We need Alan's fund and we need a fund that does the sort of thing that we do.

LAEL BRAINARD:

Alan, in his opening remarks Jo' discussed the kind of regulatory and policy environments in which many entrepreneurs operate in poor countries, which often lack contract enforcement mechanisms and are characterized by high levels of corruption. As you have succeeded, to what extent have you been able to organize with other small-business owners to push for change within the country? And to what extent is the government responsive in terms of creating a better business environment?

ALAN PATRICOF:

Well, obviously there are governments and there are governments. We're talking about, in Africa, some fifty-four different countries. So, some are better than others, and some are worse. My experience is that laws are less the problem than the enforcement of the laws. In most cases there are laws that have been passed over the last number of years. If you look at the World Bank index, which has been created in the past four or five years, you can see the progress that's been made in a lot of these countries in terms of their legal systems and the introduction of important elements. I think this is a trend that is only to get better, and, believe it or not, the Millennium Challenge Corporation is helpful in that, Transparency International is helpful in that and the business community in itself is helpful.

And for the equity type of funds that I'm talking about, you're talking about the leading entrepreneurs. I agree with everything Jo' says except that he has to point out that he is really unique and he is the only one doing what he's doing.

Second, I do question whether he would have financed Google. And I don't mean Google in itself, I mean the companies that we're talking about that are very-high-multiplier, employment-type organizations, although obviously he's giving you the numbers, which are really staggering, and there are public records of this, so it's not just hearsay. But I think that the laws are getting better. I think that we went through this same process in this country. When we started the venture business, it was a new concept; partnerships were a new concept, and we had to work very hard to get changes in the regulations. They've improved gradually over the years; in fact, there's new pending legislation right now to make it even more encouraging to support the growth of young businesses up to a certain size. So the introduction of new sources of capital that will operate only in the right kinds of environments will encourage the development of appropriate legislation.

LAEL BRAINARD:

Ali, would you also like to address that?

ALI MUFURUKI:

Yes, I'd like to take you back, first of all, and try to resolve the argument between Alan and Jo'.

ALAN PATRICOF:

No argument. We agree with everything.

LAEL BRAINARD:

They've been having this argument for three years; I don't think it's going to get resolved.

ALI MUFURUKI:

You have to understand, Jo' operates out of South Africa, and South Africa is not the same as sub-Saharan Africa. You have very different financial and investment infrastructure, different levels of business skills and also a different level of government support. I know that Jo' has ventured outside of South Africa recently, and he's going to discover that doing business in our part of the world comes with a significant number of challenges but also opportunities. I have no doubt he's going to succeed, but he may make some modifications to his business model.

I would very much love to do business with Alan, who is an all-equity guy. I want to agree that when you take a loan in my part of the world, you're talking about paying back at interest rates of 17, 18, 22, 24 percent. Now to be able to pay back a loan at that kind of interest rate, you have to be making very huge profits that are very difficult to make. Sometimes it's like even the lenders are setting themselves up for failure when they invest in a business that's going to take some time to make money for payback. Maybe that's why it would be a smarter idea—once you understand what the business is all about and you have the right people to manage the business and you have checked out the regulatory environment—to go into an equity-heavy kind of investment and make it scalable and see if you will succeed better there.

I have a feeling that Alan, for the size of the deals that he wants to chase in Africa, will be successful because I know that others have tried to stick to the old-fashioned principle. They know that they used to wait two to three years for a single deal to come along. It's because they were insisting on lending a huge amount of money that the business environment is not able to absorb; or, when you find people who want to take the money, they don't have the managerial capability to actually run the business or they find that actually the rates at which they are borrowing are simply not sustainable.

Going back to the business environment, it's changing as a function of the shrinking of the world. Because there's a lot more access to information through things like television and the Internet; our governments are not immune to those kind of influences. They also begin to realize that the poverty problem will be solved only if people within the countries are working and if there is more investment in businesses. So they're beginning to learn to be business-friendly.

We also are seeing more people with education venturing into business. Traditionally business was not the place where people with education in Tanzania would go. If you went into business, probably you were not a very smart person. That's the way it used to be; but we are beginning to see that situation change. Smarter people in business are beginning to influence government policy because they're able to lobby intelligently and come up with proposals for alternative policy. Tanzania in particular is one of the leading reformers in Africa, if I'm not mistaken. In the World Bank reports I've seen, it's up there among the top ten countries in Africa that have reformed the most. So we are very hopeful, and we're beginning to attract investors, including the likes of Alan. We're also seeing institutional funding coming to Africa; and microfinance is coming to Tanzania in big ways. I am very hopeful that the next ten years will bring important changes for my country and for the region.

LAEL BRAINARD:

Just one final question. We have a lot of people in the room who are looking at these issues from a philanthropic perspective but who have also been on the business and investment side. Alan started to get into this question: What's the right model for the financing? Is it a for-profit kind of financing investment? Is it a 501(c)(3) kind of philanthropic investment? And if it's a hybrid, is it a partnership, or is it a single organization that's doing a bit of both?

ALAN PATRICOF:

Let me answer this question because I tried to play around with a model, and I'm not saying at all that it's perfect—I consider this whole activity priming the pump. It's a whole cycle. You don't have exits until you have the right companies that need exits; and you don't have entrepreneurs coming out of the woodwork until they know there's capital. My experience has been in the years when money has been available—equity money—people come out of the woodwork who have great talent, who all of a sudden believe that something's possible that they didn't think was possible before.

The model I've been playing around with is trying to respond to both people who have to make some return and those who don't need to. I could sit there and tell you, like most traditional people, that you're going to make 30 percent rates of return. In my opinion it's not possible at this stage of the environment. I'm looking to create a model where there's a segment for modest profitability. Then there's a second segment, a 501(c)(3) type, which would be a recycling fund; it would maintain its capital but not distribute anything, but would be used perhaps for a second activity. In the meantime it would give some leverage to the first tier who needs it to help them make a return. Then the third component definitely would be a grant-type of operation, which would be a technical assistance component, because I think this is critical and it would clearly be a charitable, philanthropic contribution.

So you can take one from column A, one from column B, or one from column C or you can take one from all the columns and mix it up. But the reason for doing this at this stage, not ten years from now, is not because you want to get rich quick. If you want to do that, go buy into private equity; go take a limited partnership in a private equity firm in the United States (I have one, but that's no guarantee). If you want to fulfill a mission and really encourage entrepreneurship, small- and medium-sized enterprise development and job creation, I think you can find, in the combination I've said, something that fits your needs.

ALI MUFURUKI:

I would like to say something about Africa that's very different from what we have been talking about most of these past three days and that is to see if, as philanthropists, you can help me and my fellow Africans in coming up with an idea that can help safeguard Africa's future and help us see a more prosperous Africa in the next twenty years.

Two days ago I was in Washington, D.C., speaking at a meeting on issues of trade; whether the Doha Round is going to be revived and whether Africa is going to have better chances in global trade. I heard people talking during this forum about whether the conditions for Africa's trade can be improved. People talk about Africa as if it's a very godforsaken poor place where there are a lot of people who are very poor and will never get rich unless they are assisted to improve trade terms for their traditional exports. They talk about how we are going to get more money, for example, out of cotton exports to the industrialized world, how we are going to get more money out of coffee exports. And whether or not there are real opportunities to do that, I personally don't see why we should continue doing a business whose time has come and gone, like cotton. You all know that oil has been selling for \$70 a barrel recently, and it's not regulated by the World Trade Organization [WTO]. OPEC doesn't listen to anyone these days: they just sell to the highest bidder, not the kindest bidder. Africa has 9.4 percent of all proven gas and oil reserves, but Africa has also 21 percent of the global gold production. Africa has 27 percent of the global diamond production. Africa has 38 percent of the global uranium production. Africa has 43 percent of the global bauxite production, 17 percent of all iron ore, 78 percent of all platinum. How poor can such a place be?

Now, there is something called the "resource curse." This is nothing new. But we all know that the whole world, including the United States, has made oil from Africa a strategic target. They want to get 25 percent of all U.S. oil imports to come out of Africa by the year 2015. That's only eight years from now. I think it is a great opportunity for African countries that are producing oil. The question is, *How are we going to invest that wealth that we'll make from the United States into developing our economies?*

Likewise, our trade with China has been growing in leaps and bounds. And you won't believe that the trade balance between Africa and China is in Africa's favor. Even without a global or WTO deal between us. It's all because of bilateral trade arrangements. For once, we are in a position where we can sell goods at prices that we choose. We don't need the WTO Doha development round. We don't

need the WTO. We don't need AGOA [African Growth and Opportunity Act] either. But we're going to need the support of good people of good intentions to help us ensure that the endowment we have been given by nature or by God does not become a curse as it has been in Africa for most of these years. Is there a way that intelligent people in this room can come up with some proposals on how we can harness this wealth without destroying the environment too much, without killing each other too much as we have been doing these past few generations? That's the challenge I put to you.

LAEL BRAINARD:

Last night Larry [Brilliant] asked us how we create jobs, and this panel, I think, in great richness, has given us both the motivation and the means. Please join me in thanking the panelists.

KEYNOTE ADDRESS



FINANCING GLOBAL HEALTH

LARRY BRILLIANT, WILLIAM H. FOEGE

FRIDAY, APRIL 13, 2007

LARRY BRILLIANT:

I have the greatest honor and the happiest duty to introduce you to my dear friend, Bill Foegen. And I'm going to take a little while to do that because he told me he wasn't going to use all twenty minutes of his speech, and I've borrowed some of his time. Bill is truly one of the great treasures in the world of global public health and beyond that. Any of you who have worked with him know what I'm talking about. The number of times that you meet people who have found that Bill Foegen has touched their life in a deep and meaningful way—it's just amazing in so many ways. I'm sure when you hear him today, he will inspire you. But it's not just his words that are inspiring. He is a man of great vision; he is a wonderful father, a wonderful grandfather, a wonderful husband, a great friend—and this sounds like a eulogy, which I don't want to do, Bill.

Let me rattle off a couple of his accomplishments, and then we'll get back to the eulogy part. Bill was a medical missionary in Biafra, and during that extraordinarily difficult time, he conceived the idea that smallpox, then epidemic in the midst of the Biafran crisis, could be eradicated by a novel method of surveillance and containment. It sounds so simple now, like many great scientific insights; now through the retrospectroscope it sounds obvious. But it was a real breakthrough—one of the great conceptual breakthroughs in public health. He then carried that breakthrough to India, where he became the intellectual leader of the WHO [World Health Organization] smallpox campaign. And then he went to the Centers for Disease Control [CDC], where he was the head of the CDC; he was the president of the American Public Health Association; he was the executive director of the Carter Center—you get the idea.

My wife and I had the chance to meet with President [Jimmy] Carter and his wife backstage at some event, and we said those two magic words—*Bill Foegen*—and President Carter said, "I couldn't be the ex-president that I am, and do the things that I do, were it not for Bill Foegen."

So Bill now is a senior fellow at the Gates Foundation. He has brought his humor, his quiet dignity, his deep charisma in between those jobs to the field of child immunization, campaigns against cigarette smoking, and preventive medicine in general. And I think that I, like many of the people in this room, consider myself a student of Bill Foegen. We'd like to stop just short of stalkers. But we feel like we've come close to crossing the line, and the reason is the effect he has on people.

Bill took me to see my first case of smallpox in India when I was twenty-six and working in the smallpox program—I was the mascot on the team—and it was my first job out of medical school. When we went to the village, he told me three things. He said, “I have never seen a disease as awful as smallpox,” he said that it will be difficult to bring children to be vaccinated and that he had a foolproof way of doing it because he would tell the village head man to bring the children and tell them the tallest man in the world was in their village, and they would come and we would vaccinate them.

You have to understand the way that Bill teaches. At some point when I was trying to make my transition between clinical medicine and public health, he said to me, as I’m sure he’s said to hundreds, “Do you miss clinical medicine?”

And I said, “Yes, I do.”

He said, “What do you miss?”

And I said, “Personal contact, the feeling that you’re having a direct effect on people’s lives.”

He said, “Oh, that’s no problem. Just think of a temperature chart of a child who’s got a fever and see the way that it breaks and goes down.” He said, “You’ll know that you’ve made the transition to public health when you can see an epidemic curve and feel as good about the downward movement of that curve as you would about the downward movement of a temperature of a child with a fever.” And I have to tell you that that has stuck with me all of my life.

But it is his humor and it is his way of thinking of things that makes Bill stand out among all the other people I’ve ever met. As we went through village after village in western Uttar Pradesh, we saw so much death; we saw so many cases of smallpox and death from so many things. We were in a Jeep once, and Bill said to me, “Larry, have you considered the way you want to die?”

I said on that cheery subject, no, I hadn’t. And he said, “Well, I have.” He said, “I’ve thought about it many times. And I’ve decided that these are the characteristics of my death that I would like to have: First, I want my death to be meaningful. Second, I’d like it to be a time of my choosing, or at least a time when I know that it will occur, so that I can plan to say my good-byes and put my affairs in order. If possible, I’d like it to be quick and painless.”

I said, “Well, how do you do that, Bill?”

And he said, “Well, I’ve thought about it a lot, and I’ve decided to make it meaningful, painless, quick, and at a time certain—I’d like to be executed.” So that’s sort of where I got the idea for the eulogy.

It is with such honor and so much pride that on behalf of the Global Philanthropy Forum, and especially for us, Bill, on behalf of Google, it is an honor to welcome you here. Thank you so much for coming.

WILLIAM H. FOEGE:

Surveys have often shown that the single biggest fear of Americans is public speaking. My single biggest fear has always been that someday I will be introduced by Larry Brilliant.

A third of a century ago, many of us went to India to work on smallpox eradication; some went to seek adventure. But not Larry—he went in search of truth. And he continues that journey, searching for truth, today. Sometimes he interrupts the journey to babble nonsense as you just heard. But even that can be fun. Thank you, Larry.

Last week I was on a panel in Washington, DC, and had the chance to talk about how life surprises us. I'd gotten on an airplane in Seattle, sat down in the aisle seat, and was reading a newspaper; a man excused himself and took the seat next to me. We talked for just a moment. I made a mental note of the fact that he was probably in his eighties, that he had a white beard, and the thing that struck me was that he was very unattractive, even for an older man. I went back to reading my newspaper, and five minutes later a woman standing in the aisle, waiting for people to disappear in front of her, tapped me on the shoulder and asked, "Are you two twins?"

A year ago our seven-year-old grandson was sitting in the back of the car, the two of us were alone, and I was thinking about how this is an old Greek story because we see ourselves as going into the future; the ancient Greeks saw themselves as backing into the future because they couldn't see it. I was thinking, *My future is literally and figuratively behind me*. I only get glimpses by listening to the sound of his voice, and suddenly he asked—and I'm not making this up—he asked me, "What's the most important thing people could do to make the world better?"

In some sense this conference is an attempt to answer the question of a seven-year-old boy. I'm going to suggest five ingredients for a partial answer to that question as it pertains to financing global health.

Now, it would not be unreasonable to tally the possible sources for monetary funds, in-kind assistance, skills, knowledge and tools that would be needed to solve the major global health problems, but I'm going to avoid that because there is a more generic question. The problem, of course, is enormous; and if I

tell you that two hundred thousand children under the age of five will die this week in the world, it's just a statistic—until you think that that's about what we lost with the tsunami some years ago. And you will recall that this was so important to our country that we sent two ex-presidents, and all kinds of aid, and then you think, *That's happening every week with children under the age of five*. This week, next week, every week this year—and look at our response. It's simply not important enough for us to try to change it.

But there are some touchstones to keep in mind as we think about an appropriate response. On the one hand, I can tell you I am so delighted by what has happened in recent years, with rich people stepping up and saying they want to change the world. In global health we were always the bottom of the barrel; and we even started thinking like poor people—that we don't deserve more resources. It never crossed my mind that a rich person would become interested in global health; and if it had crossed my mind, I never would have thought it'll be the richest couple in the world. If that had even crossed my mind, I never would have thought, *Maybe they'll convince the second-richest person*.

And so you see how great it is, but then think of the other side of this. Even if the Gates Foundation puts \$3 billion per year into global health, that's what we spend on health in this country every twelve hours. And look at the inequities in this country. So it's not that much money.

So, number one of my five points: *No matter what we do, governments and the marketplace will always be the biggest players*. And therefore long-term solutions are dependent on inspiring government and marketplace involvement. You're all well versed in the marketplace. But allow me to suggest that when it comes to government, there is a reason why it should be the biggest player. For whatever our criticisms of government—and we have ample reason to criticize—it is the only organization in a country that represents everyone. No foundation, no service organization, no religious group, no corporation represents all of us. Government does and should.

Number two—and we've heard this in many ways in the past three days: *We are all in this together*. And that's the key—the actual belief that we are all in this together. This is the concept that dominated the thinking in America during the Second World War, the motto of the greatest generation, and that means everyone.

Will Durant, commenting on what happened in this country during the Second World War, raised the question, *What would it take to get the world to respond?* And he said, "The world will respond in that fashion only if it fears an alien invasion." We have now seen that there are some things so powerful that they

become surrogates for an alien invasion. Nuclear weapons for sure, but, in some sense, that is what allowed smallpox eradication, why we are working on polio eradication, and why we are now suddenly becoming so interested in climate change. These are surrogates for an alien invasion—issues that force us to see that we are all in this together; and if we are to change global health, we must see this as a common effort. If that actually happens, then decisions on the role of government, corporations, foundations and so forth become secondary.

So it's changing the social norm that precedes funding. We must make this great divide untenable and wrong, incompatible with our sense of civilization. Many have said this in the past. Our own surgeon general fifty years ago, Leonard Sheely, said, "The world cannot continue to exist half sick and half healthy." Albert Schweitzer said it.

Gandhi said, "My idea of the golden rule is I should not be able to enjoy what the masses cannot." So our first job is to make this a common belief, the social norm.

Number three—and, again, we've heard this in various ways over the past three days: *Coalitions*. The world is so complex that nothing can be done by a single person or a single organization. It's not a new thought. Polybius, two thousand years ago, said, "Things in the past may have happened in isolation," but, he said, "from this time forth the world must be seen as an organic whole." Two thousand years ago—and he gave examples of things happening in Africa that were impacting Athens.

Everything affects everything. To do anything, therefore, requires a coalition; and leadership in anything, including global health, is no longer found in a title, whether that be *director of WHO* or *president of the United States* or *billionaire*. Leadership is found in the person who can assemble an effective coalition.

What are the emerging rules of successful coalitions? First and foremost is a clear vision of the last mile that will result from the coalition. People will not invest their time just because it's nice to improve the health of someone else. There must be, in the words of Gary Wills, a certain trumpet. He takes that title of his book on leadership from a Bible verse that says, "If you hear an uncertain trumpet, who would gird for battle?" So in global health, we must be as certain as were the abolitionists when they said that the system of slavery was wrong and that it was possible to abolish it. We need to be just as certain that the current system is wrong. To not use the tools and skills and knowledge of science and medicine for all is a declaration of slavery for some. We are willing to condemn others to an enslavement that we would not impose on our own families. We have to be so clear of what that last mile looks like and that it can be achieved.

Norman Cousins, in an editorial for the bicentennial, asked the question, “What’s the greatest gift the U.S. has given the world in two hundred years?” And his answer was, “The greatest gift is the understanding that it is possible, it is possible to plan a rational future.” And we have to sell that idea—that it’s possible to have a rational future in global health, that the vision of our forefathers 230 years ago for a new country can be matched now with a vision for a new world. And only then, after we have an absolutely clear last mile of global health equity, is it possible to define the first mile of the journey, to figure out the resources needed and how we will get there. Jean Case said yesterday that the same old way isn’t going to get us there.

Number four—re-ask the question continuously and in various ways: *What do we hope to achieve?* What should the last mile look like? And then play with different answers. Richard Feynman, the great physicist, was looking in the mirror one morning and suddenly it struck him that the explanation physicists had always given for why left and right are reversed in the mirror could not possibly be true, or top and bottom would be reversed also. Now I suspect that physicists are more egotistical than most of us, so they probably look in mirrors more often; and yet every physicist who had ever looked in the mirror had not thought of that, and it caused him to look again at what happens when you look in the mirror.

Our oldest son, David, said to me one day when he was very young, “I wish I could see you for the first time.”

And I asked him, “What do you mean?”

He said, “Well, my friends tell me you’re so tall, and I don’t notice that, but I wish I could see you for the first time.”

And that’s what we have to keep doing: look at global health for the first time and see if it changes the question. We had hints of this on Wednesday, with the example, *What would happen if we could put a price on carbon?*

Another example of this is to look at healthcare in the United States. We’ve gotten ourselves in a terrible situation, and yet we’ve been stuck for decades, asking the same question, *How do we balance quality, cost and access?* And it keeps getting us to the same answer. Simply changing the question from *How do we balance quality, cost and access?* to *How do we balance quality, cost and outcome?* suddenly changes everything because it means we have to measure health outcomes. If we *can’t* measure them, we’re in a strange business. And if we *can* measure them, we could now have the marketplace pay for health outcomes. And what would happen? Suddenly, insurance providers would be

trying to enroll sick people rather than well people because that's the way they would make their money—by improving health outcomes; and suddenly you would have to have prevention in the medical care system.

Or look at the example of eradication. For years we used to ask the question, *Which diseases could be eradicated?* And then fifteen years ago, we simply changed the question at the Carter Center, and we didn't ask which diseases could be eradicated; we asked, *What are the barriers to eradication of this disease?* And we went through hundreds of diseases, and what did we end up with? A research agenda for every disease. So what are the critical barriers?

In global health we need to ask, *What are the critical barriers to health equity? How do we incorporate everyone and especially government? How do we use the marketplace to the maximum? How do we detect when the marketplace is not working—as, for instance, with tobacco—and correct it? How do we provide the global leadership that says we're all in this together and for the long term?*

Back to Will Durant and the concept of an alien invasion. We need to make AIDS and avian flu and polio and infant deaths and maternal mortality surrogates for an alien invasion. We have to develop better incentives for the business community. I think what corporations have been doing in global health recently is one of the great chapters in global health: Merck and Mectizan giving hundreds of millions of treatments free, Glaxo giving albendazole for lymphatic filariasis; and we heard yesterday from Steve Case that we have to have people who are proud of working for their companies because of what the company does.

Let me give you one quick example. With Guinea worm in West Africa, it requires filtering water to take out the water flea. A division of DuPont at that time, called Precision Fabrics, came up with a brand new synthetic material that would do this and would not fall apart after repeated washings. They donated the first million square yards of this for the Guinea worm, and then they became so proud of what they were doing, they continued donating it. They make this cloth only one day out of every few months. On that day absenteeism goes down. People feel proud to work for a corporation that does these things. There are ways that we can come up with for improving what they do.

Number five: *Understand the generic forces behind poor health; and the biggest one, of course, is poverty.* Many of us in this room regard ourselves as rich, but we make no protest over the fact that the poor are subsidizing us. Food is cheaper; our rooms are less costly at the Sheraton because people are working at minimum wage. The same thing is true for poor countries. Part of my wealth is

accumulated on the backs of sick women in Africa. And I should be troubled by that. Part of my wealth is subsidized by the future. I will never repay my carbon debt. Someone in the future will have to do this. I will never even repay my part of the national debt. My grandchildren will be doing that.

William Wilberforce did not end slavery two hundred years ago when he finally succeeded in getting Parliament to stop the slave trade, but he ended the idea that it was okay to have slavery. The slavery of those living today and in the future—slavery imposed by poor health, global climate change, and poverty—is condoned by many as necessary for business. They aren't willing to protect the environment because it would be bad for U.S. economic growth. We are the slave masters, and we must be willing to say that with force and clarity. We have the job that Wilberforce had two centuries ago: to change the social norm, to say that it is wrong, it is evil, to enslave the future to satisfy our economic appetite. In the parlance of the day, it's not a few bad apples, it's a bad barrel we live in. People in this room don't need to be convinced, but you do need to be convinced that you have to play a role in getting the rest of society to think this way. It's not just that we need wise leaders in our country; we need every voice in this room saying that this is what is needed for global health.

So, in closing, I come back to the single major message in how to finance global health: *If we're to change global health equity, we must change the social norm to a common understanding that inequity in health is a form of slavery.* And in the words of Primo Levi, "When you know how to relieve torment and don't, then you become the tormentor." When we believe that, the funding will be easy, and we can answer a seven-year-old who asks, "What is the most important thing people could do to improve the world?" Thank you.

PLENARY EIGHT



FINANCING GLOBAL HEALTH

WILLIAM H. FOEGE; LIZA KIMBO; PETER PIOT; RICHARD FEACHEM; ALICE ALBRIGHT

FRIDAY, APRIL 13, 2007

WILLIAM FOEGE:

If the last mile is clear, namely global health equity, it's important to start concentrating on what the first mile looks like—how to describe strategies and theories of change and how we pay for it.

We have an exceptional panel here; we're mixing private and public funding—we have one person who represents private funding, two people who represent public funding, and one person who represents the mix of public and private. All of them have great experience—much of it on the ground—all of them have passion, and every one of them fits the description of Harlan Cleveland, who, when he talked about global health workers said, “they have unwarranted optimism.”

We're going to start with Liza. Liza Kimbo has a background in economics and public health, and she has done a very clever mixture of franchising, micro-credit, healthcare and good management to show what can be delivered in health in Africa with the private sector. I've visited her work, and I can tell you that it's so impressive you come back saying, “this has to be replicated.”

So, Liza, inspire us.

LIZA KIMBO:

Dr. Bill Foege says, “Liza, inspire us,” and I don't know why he is setting me up this way. It's a great pleasure to be here; it's a great pleasure to be introduced to you by Dr. Bill Foege, who did come out and visit our Child and Family Wellness [CFW] Shops in Kenya several years ago, finding us in the trenches trying to figure out how to do this work. And he gave us motivation and encouragement that we were on the right path.

I'll briefly tell you about what CFW Shops Kenya is doing through sustainable healthcare. Take a walk with me through rural Kenya for a moment, where 80 percent of our population lives. You'll need to go down some bad roads, you'll find beautiful countryside, and you will meet women, mothers with children,

going about their daily activities and earning an income. They wake up every day, and it could be from picking tea, it could be from other farm work, but they're earning a dollar or two in a day.

When a mother wakes up and her child is sick, she has to make these choices: does she go about her activities to earn the income that she needs for that day, or does she take the child and walk a half hour to an hour to a public health facility, hoping that she might actually be seen by early afternoon because the line is so long, hoping that there will be drugs available at the facility on that day, and that she will not have to go somewhere else to find a painkiller that might help the child for the moment, not knowing whether it will be the actual drug or whether it will be powder. This is what mothers go through all the time, not only in rural Kenya but also in a lot of other parts of the world.

If this mother happens to wake up in a village that is served by a CFW outlet, she has an alternative. There she can go to an outlet, where she will find a nurse, somebody who is qualified and whom she knows, who will speak to her in her language. She will not probably find any long lines. She can go there early in the morning and have the child attended to. She can get good-quality drugs and advice on how to prevent this disease, if it is a preventable disease, and many of them are. And she can go about her daily work; she will earn her funds for that day, and the visit will have cost her, on average, about half of what she earns. In other words, if she is earning about a dollar, our average transaction cost is just fifty cents.

This is our vision for every single village that we have out there. Kenya has the opportunity because Kenya has more than thirty thousand trained nurses, but the government is able to employ less than half of those. The private sector is employing around another five thousand. So Kenya is in a unique situation in which it has nurses who are unemployed. We would love them to have the business opportunity to run a CFW clinic, which would also enable them to avoid the temptations of going to the United States or the United Kingdom to help solve their problem of lack of health workers.

This is also an opportunity that makes sense for the nurses. They work within a franchise that ensures, first of all, that they are qualified. It provides them with initial training in business and how to run their franchise in a profitable way, and controls the prices of the products so that the people can afford them. We, as a franchise organization, do central procurement so that we are sure that only drugs and products of the right quality are getting to the people. And the outlets are profitable. The nurses on average are making good income.

I'll give you an example. One of our nurses, Mrs. Njeru, opened an outlet last year and in a community of about ten thousand people, she sees on average 800 to 1,000 clients in a month. And within a community that is, on average, again, earning one to two dollars in a day, she has a turnover of more than \$5,000 a year and she is taking home about \$3,500, which is about ten times what her market is making. So she's earning a good living, she's in a community where she comes from, and she is comfortable.

And so this is our vision, and just very briefly that is what we are doing in terms of providing an alternative to the public-sector delivery. I'll end there for now. Thanks, Bill.

WILLIAM FOEGE:

Thank you, Liza.

Our next speaker will be Richard Feachem. Now many of you think of him as the director of the Global Fund, some of you who are older will remember that he was also the dean of the London School of Tropical Medicine, and some of you who are my age will remember that he actually started in the field in the Solomon Islands and in the highlands of New Guinea, so he's had the entire spectrum of global health work. Richard?

RICHARD FEACHEM:

Thank you very much, Bill, and good morning ladies and gentlemen. It's a great pleasure to be here. And I've been pondering the dilemma of what I can say that will add value to the very rich discussions that we've already had and the comments that other speakers have made. And I want to pose two questions in relation to global health. But before I can do that, let me say that it is clearly the case that both the challenges in global health and the opportunities—the energy, the excitement, the innovation in global health—have never been greater. And I think that's what gives so much excitement to the discussions here.

The two questions I would like to pose are, first, in relation to global health, *Do we know what to do?* And the second question is, *Do we know how to do it?*

I'll speak very briefly on the first question but at greater length on the second one.

To the first question—*Do we know what to do?*—my answer would be *more or less*, and certainly sufficiently that we can get moving on a much greater scale with confidence that we have at least some of the solutions. If I apply that question to the three diseases that the Global Fund focuses on—AIDS, TB [tuberculosis] and

malaria—the answer is clearly *more or less*, a little less for AIDS and much more for malaria. We know exactly what to do for malaria; it's just we're not yet doing it. But we sufficiently know what to do and we're sufficiently beginning to do those things. We do have confidence in the technical solutions that are already in hand, and I think that's a very important starting point.

Let me come now to my second question and spend a little more time on that. Do we know how to do it? Any my answer to that question is, *increasingly, and we are learning a lot right now*. And I think this conference and things we have heard in Palo Alto are very much part of this learning process, which has really taken off and accelerated in the past very few years, about how to do it and how to do it better than we've done it in the past few decades.

I've been jotting down my list of lessons learned and I came up with six, which I'll quickly share with you, and which overlap with Bill's but are not identical.

All of these lessons learned come from five years of Global Fund experience but also from the discussions we've been having here and what we've all been learning in the business of trying to have a larger and more rapid impact on global health.

My first lesson learned is the *extreme importance of local ownership*, which I see as the same as letting the demand side rule. Let people on the front line, people like Liza and others we've heard from, tell us what they most need. Let them come up with the solutions, and let us back their ideas, their priorities and their sense of what needs to be done tomorrow. Never think that we can sit in Geneva or Washington or London and second-guess the people on the front line because we will get it wrong, and historically we have repeatedly gotten it wrong when we've tried this second-guessing. Let the demand side rule, trust the demand side, as the Global Fund has done, and you'll be surprised with the good outcome.

If Adam Smith had chosen to write a chapter on development finance models in his book *Wealth of Nations*, he would have proposed something exactly like the Global Fund, and he would have been exactly right. The demand side actually works in the allocation of finance for global health. Trust it, and let it drive the investments.

The second lesson is *performance-based funding really matters*. The money must follow the results, not the good intentions, not even the need or the demand, but the results. We all know that this business needs passion, it needs compassion, it needs soft-heartedness, but it also needs a lot of hard-nosedness

and hard-headedness. And money following results is a way to reward those who are doing the right thing with commitment and energy. It funnels resources to support their work and not get locked into long-term funding of programs that are not producing the results that benefit the people. So “money follows results” is not easy to say, not easy to do, but it is really worth pushing the envelope in performance-based financing models.

Third is *transparency*. The Global Fund, as most of you know, is five years old, and I’ve just handed it over to my successor, having been guiding it for its first five years. When we started, I didn’t realize the power of transparency. I didn’t realize how important it is that you can track on our Web site 450 investment streams in 136 countries. You can follow them result by result, scorecard by scorecard, disbursement by disbursement. I thought that that was obviously the right thing to do. But what has emerged is that most organizations in the field of development finance actually don’t do that. You cannot track what the money is buying and why the disbursement decision was actually made on their Web sites. I think that’s regrettable, because I think we all need to be very transparent.

Steve Case made a very interesting point yesterday when he said when they started he was a bit embarrassed to have a Web site because he thought people might think he was showing off. Then he realized that he had a duty to have a Web site and a duty to inform, and I think that’s absolutely right. People have a right to know, to follow, to be engaged and to follow the dollar-by-dollar and the result-by-result. I believe the Global Fund Web site is, in the transparency arena, the best in the business, and I am very disappointed by that. It shouldn’t be the best in the business. Other people should be ahead of the Global Fund; it should be possible to track other people’s money in even greater detail.

That kind of transparency also supports the learning-while-doing that is so important. It enables everyone to learn from everyone else’s experience because the data is in the public domain. It’s also, in our experience, a huge brake on corruption. When every disbursement and every result that has been claimed to have been achieved is in the public domain, if you don’t think it’s true, you can put up a flag, you can blow a whistle, you can raise a question. If you think there’s any distortion, you absolutely have the space to say so. That form of extreme transparency is a great asset in the ongoing effort to ensure that the money is used for the intended purposes and not diverted.

My fourth lesson, which we’ve heard a lot about at this conference, is *innovation*. We need to innovate like the people in this room are innovating. I have been incredibly excited by the things I have heard here in Palo Alto. Liza is a great innovator; these are really exciting models and new ideas. We need to

innovate because the models of the past few years, for the past few decades, haven't done the job very well. If we do what we did, we get what we got. And remember what we got: we got an HIV pandemic, which grew inexorably for its first twenty-five years while we didn't do much that was very effective to prevent it. What we got is two decades of malaria steadily worsening, for no good technical reason. So the models that we used in the past were not particularly effective. There were some spectacular exceptions to that, like smallpox eradication, but a lot that didn't do the job patently. We do need to innovate; we do need to try new models; people in this room are doing that and I applaud that.

Fifth, and I will add to what Bill said on this subject, *we need to support private-sector solutions*. Of course it's true that governments have a role, particularly a role of stewardship, a role of protecting the interests of the very vulnerable, a role of ensuring that there is not an exploitation of patients by medical providers. But the line probably stops about there. When we look at the big task of financing healthcare and providing healthcare in the developing countries, we need to emphasize the role of NGOs [non-government organizations], the role of churches, and the role of major private organizations (both for-profit and not-for-profit), because we've come out of a period in which we have called on governments to do things they are simply not capable of doing, and we have had expectations in government's capacity that are utterly unrealistic.

And we need to unleash the energy of private individuals, NGOs, churches and major private organizations, as I say, for-profit and not-for-profit, in the business of delivering healthcare. We're just beginning to do this, but it's a very early start. It's very interesting how people who, because of their background in Silicon Valley or whatever it is, have a complete belief in the market and in the role of the private sector. When they come into the health domain, they suddenly become very socialist and very state-ist in their thinking. They assume things about governments that they would never assume in California or in Sweden or in France. But in Malawi, suddenly "the government should do this" and "the government should be responsible for that thing, or this thing." Those expectations are very unrealistic, and I think we need to have a paradigm shift toward emphasizing private energy, private solutions, private innovation, both in the finance but particularly in the delivery of healthcare.

And, finally, I think it's obvious from what's gone before and what many others have said, *we need to be bold; we need to take risks*. It goes with the innovation. We need to see failure as a learning experience, as an opportunity to get up and

do it better next time. Again, that atmosphere is really alive in this room and in this gathering, and I think that's very heartening. Thank you very much indeed.

WILLIAM FOEGE:

Thank you, Richard.

We now turn to Peter Piot, and many of you will think of him as the director of UNAIDS. He had a career before UNAIDS. He worked in Africa, and he was one of the key people not only in figuring out what was happening with AIDS but also in figuring out what was happening with the Ebola virus. So he has a broad range; he's been an educator. Peter, inform us.

Peter Piot: Thank you, Bill, and good morning everybody. I must say I owe a lot to you. I remember after the first Ebola epidemic in 1976, I ended up in the CDC [Centers for Disease Control], where you were the director. In those days there were not many foreigners coming to the CDC or in the Epidemic Intelligence Service, and you, as the director, wanted to meet with each of us. For me, that in itself tells the whole story of you: your interest, as the director of a huge machine, which I found unbearably bureaucratic. The irony is I'm now working in the United Nations! Anyway, you had this attention for us young people coming from the field. So thank you for that.

At the International Conference on AIDS in Durban, South Africa [July, 2000], I called for moving from the *m*-word to the *b*-word when it comes to funding for AIDS: from millions to billions. Shortly after that, in 2000, I got a letter on behalf of basically all government donors, including from this country, saying that I shouldn't make this kind of statement, that the money in any case isn't there and that I shouldn't count on a major increase in funding for AIDS. And, seven years later, where are we?

When UNAIDS was founded ten years ago, about \$250 million was spent in developing countries on fighting AIDS. This year it will be around \$10 billion—an unprecedented increase. As for the attitude of the donors in those days, government donors were part of the denial syndrome. It illustrates how far we've come in terms of attention for global health, just taking the AIDS epidemic as an indicator.

I'd like to address, briefly, four questions. The first is, *What happened?* Why has there been that increase in terms of attention for AIDS and in terms of the funding, giving us an unprecedented momentum today? I think the basic driver has been politics. In public health people don't like to hear that, but it's really the fact that heads of state, prime ministers, stood up and took charge of the

issue. In 2002, President [Olusegun] Obasanjo from Nigeria hosted a special summit of what was then called the Organization of African Unity, with over forty presidents—and they all said, “Yes, we care about AIDS; we should do something about it on this continent.”

And the United Nations under the leadership of Kofi Annan who was really the first Secretary General to take on global health/AIDS as a major issue for international politics. When in 2001 there was a special session of the UN General Assembly, forty heads of state came there. They went home and they said, “I’m going to take personal charge of this issue. My minister of health is important, but this is something that should engage the whole nation.” And as the *Economist* wrote later, it doesn’t take a rocket scientist to see that a special session of the UN represented a sea change in how AIDS was considered: not anymore as one of many public health problems but one of the make-or-break issues of our time; in the same league as climate change, massive poverty and so on.

It was also Bill Gates and his engagement. And when President [George W.] Bush put \$15 billion on the table, in his State of the Union address in 2003. This also completely changed the landscape in terms of funding. And it was activism, grassroots activism that we’re seeing in developing countries where we now have a true global movement, transnational global civil society movement, and the prime activist movement being in South Africa, the Treatment Action Campaign.

Finally, I would say, when anti-retroviral therapy became available, leaders got the feeling that this had become a problem with a solution. We always have to stress not only the doom and gloom of global health problems and AIDS, but also that there are solutions. Otherwise, why would you want to invest in it? Even if anti-retroviral therapy is not the solution to this epidemic, it gave a kind of feeling that *yes, we can do something about it*. So what we had, as somebody said yesterday, was innovation in terms of the funding that was not driven by science or by technical innovation, technology, but really by a political movement.

The second question is *Where is the money coming from today?* We are about halfway there in terms of the needs. About 80 percent of the money is coming from governments. It really illustrates Bill’s points: there is no replacement for government, for government responsibilities in various forms. We can discuss what exactly these forms are, but about 80 percent is coming from governments. Of the \$10 billion, about 80 percent is coming from donors from the north, and 85 percent of that money is from the United States and other G8 countries. Just under one-third of the money is now coming, and this is increasing, from the governments of the developing countries themselves.

Who can do more? First of all, when you look at the spending by governments in terms of official development aid, there is an international agreement to spend 0.7 percent of gross domestic product income on official development assistance. Only the northern countries in Europe are following that: Sweden, Norway, Denmark, the Netherlands and Luxemburg. Ireland is getting close. None of the big economies of the world are doing it and some are the worst offenders of this international agreement. There is some improvement, but let's not forget that last year there was actually a decline for the first time in about ten years of official development assistance. So, the richest countries in the world can do more. And I think here we are at a critical phase in the United States because the President's Emergency Plan for AIDS Relief [PEPFAR], which has done a great job, not perfect, but a great job, is due for reauthorization. This will be a test of the willingness in Congress: how much to spend and for how long on a global health issue.

Second, we have emerging countries. China is emerging as a major donor but is totally outside any of the classic frameworks for international development, particularly in Africa. China, Brazil, Russia, India—all can become donors today. We should work with these countries in a very different way than we used to work. I'm going to China in July, for example, and the purpose of my trip is not so much to discuss how can we as UNAIDS work with China in China, which we are doing, and which is still necessary, but how are we going to work together in other Asian countries and in Africa, and join forces. China and Russia have become donors, modest donors, to the Global Fund, for example. But they could do much more.

Third, we have creative new initiatives. France and Brazil have been pushing for an airline tax (which they don't want to call an airline tax, but it's an airline tax) and the money from that is going in a fund, which will again benefit in a pretty sustainable way, potentially about \$300 million per year, global health issues with the Global Fund.

In the immunization field—we'll hear from Alice [Albright]—we've got the International Financing Facility and so on. And the Red campaign: Bobby Shriver and Richard [Feachem] and Bono have really pioneered another very innovative way of sustainable financing. I would say that as a foundation, as a donor, you should never think you are too small to contribute—and I'll come back to that later. If there is really a groundswell of small funders, it can make a difference. If we partner with each other, if we invest strategically, there are so many great opportunities.

The third question is *Can the money be spent?* It's the "how" question of Richard's. And here I would say that we should devote at least as much attention to how the money can be spent and making the money work, as the mantra is in UNAIDS, as in raising the money. There are four points here: what are the issues, and many of them will be familiar to you.

The first issue is management and capacity. This is what business can bring; it's what we just heard from Liza. We're in a very dramatic situation because for decades governments of developing countries and international donors have actually undermined, in a major way, the public sector and public health not only by not investing but also by undermining the capacity of the healthcare workers and the systems.

The second issue—and I couldn't agree more with Richard—is ownership. We can have the best plan, the billions of dollars, but it won't work without the local ownership. So we've got to invest in that. It may be slower. And with our mentality of the quarterly report, we may be frustrated. There's this Latin proverb: *festina lente*—"hurry up slowly." That is the best approach. Invest in the local ownership.

Third, coordination saves lives. I wasn't born with an interest in coordination, but I can tell you what I've seen in my job, and that is what damage it can do when everybody comes in with their little projects, running in different directions, not respecting local ownership and actually wasting a lot of money.

The fourth issue is that we need to do a better job of bringing the unit cost down. The most obvious one is the reduction in price of anti-retrovirals, in the case of AIDS. A result of negotiations that we did in UNAIDS many years ago—shaving off the last penny—the Clinton Foundation has been doing work in this area, and there is also competition from generic manufacturers. But we can also bring the unit cost down for the actual delivery of the programs. That is in itself where we need the business community much more.

So there are huge opportunities for investments to make the money work, not only to provide the big money but also small investments to oil the machine and to make sure that the goods are delivered.

The fourth question is, *What should we have done differently—what are the failures?* There are five points to be made here.

First, as Richard also said, we waited for far too long. If we would have had deployed the investments for AIDS that we have today ten or fifteen years ago, we wouldn't have 65 million people living with HIV, 25 million deaths, and

entire economies devastated. We could have made a difference at a time when the prevention would have saved so many lives. And the longer we've waited, the more expensive the bill has become. So the cost of inaction is phenomenal, and that's true for many other issues. That should be a major lesson.

The second point is that we neglected ownership and the demand side.

Third, we did not invest in the beginning in better coordination and coherence.

Fourth, we focused entirely, including people like me, on raising the money and not enough on delivering the goods.

My last point is that we lacked a long-term view. And of course, when you deal with AIDS, eight thousand people dying every day, it is a crisis, but we haven't thought through the long-term implications of our actions today. Let's not fool ourselves; AIDS is not going to disappear one fine day. It will be with us for generations. It will require a very sustained effort. Yesterday Steve Case said that our thinking is too short-term. We need to find the right balance between dealing with the AIDS crisis today—crisis management—but also over the long term. Just take the more than 2 million people in the developing world who are receiving anti-retroviral therapy. Who is going to pay for that 10, 20, 30 years from now? Where will that money come from? In China we hope it will be possible; but in countries like Malawi and Zambia, for example, they will depend on foreign aid for a long time. Can a country still be called "sovereign" when hundreds of thousands of its citizens are depending on a foreign donor for their daily survival? How sustainable is the political commitment, programs and so on?

These are some questions we are asking at UNAIDS in a project that we call AIDS 2031. Why 2031? It's fifty years after the first description of AIDS in 1981, and it's looking at the longer-term implications of our actions and what we can do differently now, that will affect what and how the year 2031 will look like for AIDS. So it's not a debate about what we should do in 2031, but what we should do today to have the best outcome. And that's going to be a really major challenge for all of us: combining the crisis management with the long-term investment.

In conclusion I would say that AIDS has demonstrated that first, a global mobilization around the health issue is absolutely possible, with strong ownership around the globe. Second, we have demonstrated that this is a problem with a solution but also that there are no quick fixes. And finally, we need to partner against AIDS and have far more of this long-term view.

WILLIAM FOEGE:

Thank you, Peter. Our last speaker will be Alice Albright, who represents a new future of global health, bringing a career of finance and banking in the marketplace to problems of financing vaccines, the single best tool in global health. So, Alice, tell us about the possibilities of public and private coalitions.

ALICE ALBRIGHT:

Thank you very much, Bill, and I'd like to just say at the beginning that everybody at GAVI very much thanks you, as well as the Gates Foundation, for being huge sources of inspiration to us and very much our intellectual drivers.

I wanted to take the opportunity this morning to tell you all a little bit about the status of childhood immunization in the third world, which we define as the seventy poorest countries in the world, and to tell you about GAVI. Two innovations in particular that we've put in place recently that we're very proud of, and which I think demonstrate how we can begin to use market forces to address some of these issues.

Sadly, and you all will have gotten a sense of this during this conference, there is a huge, glaring gap between the availability of immunization services in the developed world here, in Europe and Japan, and in the third world. Every year 10 million children die before they reach their fifth birthday. Of these, about 2.5 million die from diseases that are preventable by vaccines that exist right now. And it's not just vaccines that were invented recently; these are vaccines that have been out there for a long time. So that is just a huge, huge gap.

It's widely recognized by many in the public health world that immunization, as Bill has just said, is probably one of the most cost-effective public health interventions. It's very low cost and it's very high payoff. So there is a real rationale to it. We estimate that it costs about \$30 to immunize each child fully for the diseases that GAVI is involved in. That's hardly any money at all, but it's tremendously powerful.

There are a few reasons for this gap.

One is a lack of consistent, multiyear committed money. We have done some analysis through some of our partners, the World Health Organization being the principle one and a very important partner of our organization. We estimated that it will cost about \$35 billion to fully immunize every child for all of the diseases for which vaccines are available in the years 2006-2015. Since some of that money is not available, one of the biggest problems is a funding gap.

The second problem is that there is consistent underinvestment in research and development as well as manufacturing capacity for vaccines. Vaccines are a pretty difficult business. I know that there are some vaccine manufacturers out here in the audience, and I'm sure they will confirm this. It's not super-profitable, it is very regulated and risky. There is a problem in the research and development [R&D] world that we call the "90/10" problem. I hope the numbers aren't right; I hope it's more like 80/20, but I'll call it the 90/10 problem. About 90 percent of the R&D money that's available in the world goes to fixing about 10 percent of the problems. And 90 percent of the disease burden is not where that R&D money is being targeted. This is a pretty big dislocation between where the R&D money is going and where the problems exist. All of this combines to create a situation in which, depending on what disease and vaccine you're talking about, it's taking 10, 15, and in some cases 20 years for the vaccine to become available. That is just too long.

Let me tell you now a little bit about GAVI. GAVI is a public-private partnership. We were created and launched in the year 2000, so we're still very much in learning mode, and this conference has been very beneficial for that. As I said, we distribute vaccines to the seventy poorest countries in the world, which we define currently on a per-capita income basis. Our mission is to save lives and protect health—very straightforward. We're looking to reach 80 percent of the children in 90 percent of the districts of those seventy countries, so we have big aims in terms of coverage.

We are also a performance-based organization in that we solicit applications from all of the countries. The countries themselves design and manage the programs that they have, and they take ownership for progress. We monitor progress very closely as well, and when countries are falling off, we decide to hold back money and figure out what's going on. So we fund against milestones. We think this is an important part of what makes our program successful.

Our business model is pretty straightforward. The first thing that we try to do is build a robust funding base—I call it a 360-degree funding base—and we try to raise money from every possible source. We try to make the most of what I call multiyear committed money. Right now about two-thirds of our balance sheet and future balance sheet is unconditional and committed for long periods of time. We also try not to earmark our money because we need to be able to deploy money where the results are being achieved but also to use that money on a bulk-purchase basis.

The second important thing about our business model is that we make, as I said, multiyear commitments to the countries. It takes a long time—three, five

or more years—to launch successful immunization programs on the ground. We like to signal to the countries that, provided they're making their milestones, we will continue funding.

Third, as far as our business model, we like to signal a willingness to the pharmaceutical community that we are there to buy vaccines. We'll buy the vaccines that exist now, and we will also buy the vaccines when they are available in the future. We like to act as a pull mechanism toward the vaccine industry. And thus far, if you look at some of our results, we are seeing that additional suppliers have come into the market and in some cases prices have come down, so that piece is working.

We also make—and this is a new part of our business—long-term investments in health infrastructure on the ground. It's not just a problem of having the vaccine available; we also have to get the vaccine delivered, so we're now beginning to work with countries to help them strengthen their health infrastructures.

As all of this comes together, we hope to create what we call a “virtuous circle,” which is more funding, which will hopefully stabilize an increased demand for these vaccines, which will hopefully signal to suppliers that they in fact should come into this market—that it's a worthwhile market—and then hopefully prices will come down, and then hopefully that will create a situation where the products are available at much more affordable prices on a sustained basis. So that's what we try to do.

We're young but we're happy with our results. We find it encouraging that the business model is working. We've raised a little over \$3.5 billion from various funders, principally governments. We also raised another \$4 billion through the International Finance Facility for Immunization, which I will talk about in a second. That \$4 billion is money that will become available to us over ten years. We've committed about \$2.5 billion of that, and because we have a very active program of making commitments to countries, that number is steadily increasing.

Most important, we've prevented about 2.3 million early deaths in a five- or six-year period. We're happy with that number but it's something that is always important to increase. We've immunized about 20 million people with diphtheria, tetanus and pertussis, and that's enabled us to raise coverage rates materially in that one group of vaccines. We've also immunized about another 140 million people in the other vaccines that we deal with: hepatitis B, Haemophilus influenza B, yellow fever and some others. That has allowed us to raise coverage rates in a number of countries in those areas. So far so good, but we have a huge amount of work ahead of us.

Let me now change gears and tell you very quickly about two of the financing mechanisms we've put in place. They are specifically designed to address some of the challenges that I mentioned earlier.

The first one is what I just talked about: the International Finance Facility for Immunization. I was lucky enough to be invited to this conference last year and gave a talk about it to a much smaller group. I was keeping my fingers crossed that we'd actually get this thing done, and we did: we launched our first piece of it last November. The program is designed to address the lack of committed funding.

The project itself was born as a pilot of Gordon Brown's International Finance Facility, which itself was designed to finance all of the UN Millennium Development Goals. Due to an awful lot of elbow grease from a lot of people, we've now been able to negotiate twenty-year, legally binding (contractual) commitments of aid from seven—and it's about to be eight—different donor governments. They include the United Kingdom, France, Norway, Sweden, Spain and Italy. We just signed up South Africa, which is extremely important because of the ability to engage middle-income countries. Brazil is also on the way, so we're extremely excited about that.

We took the package of these promises from these countries to the bond market and have now borrowed against them. Over time this package of promises will allow us to raise about \$4 billion. How it meshes with our program is very important because we like to be able to make multiyear commitments to countries anytime that we need to. This type of financing mechanism meshes very well with what our programmatic challenges are. We issued the first billion dollars this past November; priced very close to where U.S. Treasuries and agencies price—it's in the sort of sovereign/supranational end of the market. We got three triple-A ratings from all the rating agencies, due very much in part to all of the hard work by the World Bank, who is our treasury manager on this. It was oversubscribed, and we're happy with our initial launch of it.

Of the billion dollars we raised, we've spent about \$840 million already. Those are programs to support efforts in measles, polio, yellow fever and a number of other important areas. So we are already seeing tangible results; we are already using the program to advance our efforts. We're very excited about it.

The second program I want to talk to you about a little bit is called the Advanced Market Commitment Program. This is something we're working on right now and are looking to get it completed by the end of this year or early next year. I spoke earlier about how long it takes to actually get a product to market and to get it to market in a way that ultimately will be affordable. What this program does is specifically try to address that challenge.

There are a number of economists in the room, so I speak cautiously about price curves, but I'll do it anyway: if you look at the price curve of a vaccine, without any kind of market intervention, it takes a very long time for that price curve to come down to a level that is affordable by the seventy poorest countries, which is only several cents—twenty cents. If you are looking to try to get new vaccines and new technologies down to that price level, it's going to take an awfully long time. The price curve will respond over time to new entrants to the market, to demand, its suppliers, but it's going to take too long. So this mechanism tries to accelerate and collapse that price curve. We are setting up a contractual mechanism where a group of funders will top up the price for a specific period of time, so it is in a sense a subsidizing mechanism. They will top up the price, principally to repay the R&D costs and the initial scale-up costs of those vaccine manufacturers that qualify. In exchange for that, they have to be willing to sell it at very low prices after the initial period expires. The idea is to get the price to come down faster but not do it in a way that serves as a disincentive to the R&D at the front end.

Thus far we've been able to pull together about a billion and a half dollars of donor support for this from Russia, the U.K., Italy, Norway and Canada as well as the Gates Foundation. The initial pilot effort is going to be oriented toward the pneumococcal disease. Right now, as many of you know, a pneumococcal vaccine exists in this country. It's called Prevnar; it's seven-valent. I think it costs about \$50 a dose—it's expensive. We're trying to have this mechanism actually incentivize and accelerate the creation of a pneumococcal vaccine, both ten- and thirteen-valent formulations. And those are formulations of the vaccine that I think are more appropriate for the markets that we operate in. We think this whole program will be successful and will help us bring down the prices faster and get the products out there faster.

As my last comment, I wanted to touch on the theme that everyone talked about: failures. There are a couple of things within GAVI we probably need to think about more. I wonder about this a lot, which is somewhat ironic given that I'm the CFO—but I wonder if we're too process-oriented. I'm wondering if there are too many steps along the way that we go through, too many controls, too many reports and so on that get in the way of our actually getting the money out the door faster. I think that's something that at least *our* organization can think about.

Finally, I would encourage all of us to not get too into the weeds of institutional differences between us and to try to work together as much as we can across both types of organizational boundaries: geographical boundaries as well as public-private types of boundaries. So let me end there and thank you for including me.

WILLIAM FOEGE:

Thank you, Alice. This has been a very exciting panel. As I thank the panel, let me elicit the memory of Kurt Vonnegut, who died this week. In his final book, *A Man Without a Country*, he talks about his Uncle Alex, who would, at the most interesting moments stop and say, "If this isn't nice, I don't know what is." If this panel wasn't nice, I don't know what is.

PLENARY NINE



MOBILIZING FOR ACTION: FEEDING THE MIND, TICKLING THE FUNNY-BONE, TOUCHING THE HEART

**SALLY OSBERG, RICHARD CURTIS, BEN COHEN,
ANGÉLIQUE KIDJO, BOBBY SHRIVER**

FRIDAY, APRIL 13, 2007

SALLY OSBERG:

Good afternoon, everybody. I'm Sally Osberg, CEO of the Skoll Foundation, and it's my pleasure to moderate what I think is going to be the most entertaining plenary session of the Global Philanthropy Forum Conference. We've all been working pretty hard over the past couple of days in the heady work of alleviating and advancing, of changing and combating, leveraging, mobilizing and financing; and I'd say it's time for some visceral stuff, for some feeding and tickling and touching. So that's what we're going to be doing with a really remarkable group of panelists, whom I'm thinking of as intrepid—I hope you will also find them irreverent—in their approaches to philanthropy.

I'll say just a couple of words about the Skoll Foundation and about Jeff Skoll, who was the first president of eBay and for whose vision the Skoll Foundation was really created. That vision is very simple: to help bring about a more peaceful, prosperous and sustainable world. Our strategy for doing that is to work with the change agents on the front line, the pioneers of social change, the innovators, the people we call social entrepreneurs. You've met all kinds of them at this conference. They're working in spaces where governments are effective and where governments aren't so effective or don't have the resources to do the work they need to do. They're working where markets go and where markets simply won't go. They're working with aid, and they're working often out of frustration and anger with what they see is the waste dependency cycle of some aid.

In addition to investing—and we provide core operating support because we think social entrepreneurs are the best ones to decide where the resources need to be allocated and appropriated—we convene and celebrate. Some of you may have seen a segment of *FRONTLINE/World* that we have underwritten, profiling two great social entrepreneurs—Matt Flannery of Kiva.org, which is pioneering an online microfinance solution, working principally in Uganda; and a remarkable social entrepreneur bringing music education to Paraguay, Luis Szarán, whom we met through our wonderful partners at the AVINA Foundation.

You're probably also thinking, *Doesn't the Skoll Foundation also make movies?* In fact, we do make movies, but we don't make them on the scale that Jeff Skoll makes them at Participant Productions. I want you to think of Jeff Skoll's philanthropy as really having two Venn diagrams: they're almost like geared wheels, all intersecting and leveraging one another. Here's really how it works in a nutshell: Jeff sees Al Gore's Keynote presentation—and those of you who are Apple folks know the difference between Keynote and PowerPoint—then he decides to make the film *An Inconvenient Truth*, and that turns into the third most successful documentary of all time. With *An Inconvenient Truth*, you really build the grassroots, informed citizenry that can start to put the pressure on governments to change—to price carbon. That's what needs to be done. We all know it needs to be done, but building the will to get it done is the challenge.

Then the investment group, Jeff's investment group, invests in all kinds of energy entrepreneurs to make sure that there's a pipeline of innovative solutions. We're invested in electric vehicles, biofuels and Nanosolar; so the investment group, then, is fueling innovations working with entrepreneurs.

Then the foundation is working with the social entrepreneurs. We're invested in Mindy Lubber [president, CERES], who's bringing the pressure to bear on the institutional investment community such that they start to factor carbon risk into their portfolios and into their solutions. And people like Bunker Roy, who is here, who has his Barefoot Solar Engineers now moving out of Tilonia, India and into Ethiopia and Bolivia. He's bringing solar engineers all over the world.

So Jeff's vision of the world is three-pronged—the foundation, Participant Productions, and the investments that the family office makes. It's a great world to be part of, as I'm sure you can imagine. But that's enough about us. It's time to turn to our great panel, and I'd like to ask our four panelists to join me up here on the stage.

Ben Cohen is going to be our first speaker. We all know Ben as the emperor of ice cream, the co-founder of Ben & Jerry's, which he launched in 1977. He launched Ben & Jerry's as an intrepid entrepreneur with a \$12,005 investment. The \$5 was for a correspondence course in ice-cream making, which I'm pleased to tell you that the entrepreneur aced. But he made an even more important investment in his belief in community, his belief that goodwill, good times and good ice cream were a recipe for good business. We've asked Ben to talk about what's on his mind these days and how Ben & Jerry's newest flavor, "Stephen Colbert's AmeriCone Dream," expects to take on those left-leaning liberals back in Vermont and restore some balance back to the freezer case. Here to give us the scoop, Ben Cohen.

BEN COHEN:

Thank you. Thanks a lot. Good to be here at the home of, and the center for, what's become known as venture philanthropy: essentially taking a few billion dollars, which is a fair hunk of money, and incorporating business models to use those dollars for direct social benefit. But it seems to me that the problems that are facing our country, our world, require hundreds of billions of dollars to remediate and there's only one place where you can find that kind of money. That happens to be the government of the richest country in the world, the United States. What I'd like to talk about and give you an example of is what I call venture capital philanthropy: investing a few million dollars to leverage tens of billions of dollars from the federal government of the United States.

I'm the president of Business Leaders for Sensible Priorities, seven hundred individual business leaders around the country who are working along with our board of military advisers—former admirals, generals, retired Pentagon officials, the former secretary of defense under Reagan and a former CIA director—to shift national budget priorities, to put more money into social needs at no additional taxpayer expense by reducing expenditures on Cold War weapons systems. It's become clear to us that the impetus for this kind of change is not going to occur inside the Beltway; it's got to occur outside in the grassroots, so we're involved in a lot of public education.

It's become clear to us that there are some issues that, as they get more information about them, people will become more and more on your side. This is one of those. Right now our campaign is focusing on the states of Iowa and New Hampshire to inject this issue of national budget priorities into the presidential campaigns that are just starting to unfold there. I'd like to give you some examples of the public education techniques that we're using. What we're dealing with is the federal discretionary budget; a little hard to get your arms around that, but I brought it here with me here today. This is the federal discretionary budget: the amount of money Congress has available to distribute after mandatory expenses like Social Security and interest on the national debt.

The Pentagon gets about 50 percent; things like the environment, education, healthcare and human services get little slices. Our military advisers are telling us that we're still spending \$60 billion a year on weapons designed to defeat the former Soviet Union, and this \$60 billion doesn't really help us in terms of today's threats of terrorism.

This is a difficult problem, and I'd like to give you a demonstration of what can be done with that \$60 billion. Basically, I'm just a dessert guy, and when I think

about difficult problems, I tend to think about dessert. It occurred to me that the proper way to deal with this particular issue is with Oreo cookies. This is essentially a bar chart, where each Oreo cookie equals \$10 billion. I've got a stack of fifty Oreo cookies—\$500 billion—and that represents the Pentagon budget of the United States, not including the extra \$120 billion a year we're spending on the wars in Iraq and Afghanistan.

In comparison, I'd like to show you what the federal government is spending on some of those other areas. On K-12 education we spend four Oreos—\$40 billion. On world hunger we spend one and a half Oreos—\$15 billion. On children's healthcare we spend five Oreos—\$50 billion. On energy independence, that's a quarter of an Oreo. On job training we spend three quarters of an Oreo, and on deficit reduction we spend zero.

What we're suggesting is to take six Oreos—\$60 billion from those obsolete cold war era weapons in the pentagon stack and use one for K-12 education. That would be \$10 billion a year. Over a period of twelve years, that would be enough money to rebuild and repair every public school in the United States. Take another Oreo and use it for world hunger. Take another, split it in half—you've all done this before—and put half on world hunger. That's one and a half Oreos on world hunger—\$15 billion. Believe it or not, that's enough money to provide self-sufficiency for all of the 6 million children around the world who are dying each year of starvation. Take another Oreo, put it on children's healthcare, and that's enough to provide health insurance for every kid in the United States who currently doesn't have it. Take another Oreo off, put it on energy independence, and, according to Amory Lovins, \$10 billion a year over ten years is enough to reduce our need for oil by 50 percent through energy conservation and incentives to manufacture and purchase hybrid vehicles. Now take that other half an Oreo and put it on job training. That's enough to provide job training for 250,000 more people a year who are laid off. And take that last Oreo off, put it on deficit reduction, and at least that's a beginning to start reducing the deficit.

Some people see this demonstration and they say, "Well, what does that prove? Ben can move around a bunch of Oreos on a chart, but isn't that going to leave us vulnerable to those potential adversaries?" Today Russia is one of the countries that is not our ally that spends the most on defense; they spend six Oreos. It used to be that the Pentagon budget was so high because we were in this neck-and-neck race with the Soviet Union, and both countries were spending exactly the same amount. Now Russia spends six to our fifty, and usually they're considered an ally. The next highest spending potential adversary is actually our major

trading partner, China. They also spend six Oreos, 60 billion dollars a year on their military. And then there's the countries that we're so concerned about— Iran, Libya, Syria, North Korea—when you combine all their militaries together, it's a grand total of one Oreo: \$10 billion.

As you can see, even when we've taken enough Oreos off here to take care of all these social needs, there's still more than enough to take care of those guys. Some people see this, they say, "Okay, well... maybe. But we hear that our military doesn't have enough money, that our troops are on food stamps, they don't have enough body armor, et cetera. What exactly are you talking about cutting?"

What I'd like to do is give you just one example of the weapons systems we're talking about. To do this, I'm going to provide an audio demonstration. You don't have to look: you can just close your eyes and listen. I'm going to drop some BBs into this bucket. What I want to demonstrate is the size of our nuclear arsenal. The United States continues to spend \$20 billion a year on our nuclear arsenal. I want to show you what we get for that amount of money. So, I'm going to drop some BBs into this container. Here's one BB. It represents the equivalent of fifteen nuclear bombs the size of the one that blew up Hiroshima. Now I'm going to drop in six BBs, which would be enough to blow up all of Russia. Now I'm going to put in the amount of BBs that represent our total nuclear arsenal.

What you hear is ten thousand BBs, the equivalent of 150,000 Hiroshima-sized bombs.

A lot of people hear this demonstration and they're a little depressed. However, we at the Priorities! campaign see this as an opportunity because our military advisers say that we could afford to reduce by half the money we're spending on nuclear weapons, save \$10 billion a year, still have more than enough nuclear weapons to present a credible deterrent threat and take care of the security interests of the United States.

I know that I've given you a whole lot of information here. It's a little hard to get your arms around it and really retain it, but we have provided pens at your tables, which contain within the barrel all the information that I just spit out; and if you can't find one at your table, they're also at the registration booth.

I'd just like to finish by saying that our country—the last remaining superpower on earth—needs to learn to measure its strength not in terms of how many people we can kill but in terms of how many people we can feed, clothe, house and care for. Thank you very much.

SALLY OSBERG:

You were great Ben.

BEN COHEN:

Thank you very much.

SALLY OSBERG:

Who needs dessert when you can have dessert economics? But I think we're ready for a little comic relief. Fortunately, our next speaker is acclaimed British screenwriter and director Richard Curtis, best known as the director of hugely successful Hugh Grant films *Four Weddings and a Funeral* and *Notting Hill* but more important today as founder of Comic Relief, which has raised upward of \$700 million to combat poverty in the United Kingdom and Africa. And Richard also joined forces with Bob Geldof to organize the famous Live 8 concerts, which were designed to, and did in fact, pressure the G8 leaders to commit to making poverty history. I'd also say he arguably got that whole Red thing going with Red Nose Day. The first was held in 1988 and raised 15 million pounds; the most recent was just two weeks ago. Richard.

RICHARD CURTIS:

It's very good indeed to be here. I thought since television and screens are my medium that I would start by showing you what we do in the U.K. with Red Nose Day. I got involved in all this, strangely enough, because I met a very pretty girl at dinner in 1985, who said she was going to visit a camp in the Sudan during the famine in the north of Africa, and I offered to go with her because she was nervous. Then we went to a meeting at Oxfam, and they thought it was an excellent idea but a waste of resources. So while she went to the Sudan, I got sent to Ethiopia.

I had no intention of doing anything there, but I saw, as you can imagine in the middle of this famine, the most terrible things. I spent my time in many camps where there were three huts: one of them was for people who would definitely die that day, the second one for people who might, the third for people whom they thought had a chance of survival. I was most impressed by the lack of sentiment in the people who were working there. There were rough water guys from the north of England who were building wells. They were not weeping about it; they were actually doing the thing they know how to do. It was the same with nurses: they were not sentimental about it; they were just doing their job. I felt when I came back to England that I should try to do the job I do, which is make

Hugh Grant rich and unhappy and to do stuff on television that would be funny; the outcome of that is some of what you're about to see. This is a little film about Red Nose Day and how it works.

[The film about Red Nose Day profiles celebrities such as Bono, Hugh Grant, The Bee Gees, Matt Damon, Keira Knightley, David Bowie, Elton John and Andie McDowell, who are helping to raise money for the cause. It profiles the most recent six-week campaign that included 55 hours of TV programming, 25,000 schools organizing fundraising events, 10 million items of merchandise sold and an eight-hour live entertainment show. Over the past 21 years Red Nose Day has made nearly a billion dollars, every penny of which has been spent tackling the root causes of extreme poverty and social injustice in Africa and the U.K. Select commentary from the film:]

Voiceover: Street kids sleep, live and eat on the streets. Kids as young as six; they have nobody to take care of them, and life can be very, very hard. Since last Red Nose Day, you've helped street kids all over Africa. Let life be like this, not this.

Announcer: Eduiga is seventy-five years old. He used to live in the awful, awful slums of Nairobi. Because of cash you raised last Red Nose Day, he now has his house.

Interviewer: He lived in slums for eleven years, moving from sort of slum house to slum house, never had a bed. When he came here, apparently, he suddenly, he finally felt safe, and built himself a bed, which he's really proud of, this is it. Yeah, nice bed.

Voiceover: Eujanee was just seventeen when she was raped by a soldier who knew he had HIV. He told her that she would die a slow death. Your money paid for proper food, counseling and companionship. And she's received help to get drugs to keep her healthy.

Nigerian woman caregiver: Two years ago we were thinking that Eujanee was going to die. And now she's a beautiful woman. She's not going to die. There is hope and there is possibility.

Voiceover: Now how often in your life do you get a chance to make a difference like that?

Nelson Mandela: Sometimes it falls upon a generation to be great. You can be that great generation.

[End of film]

RICHARD CURTIS:

Thank you very much. I'd say that this is perhaps an example of sweating our assets. It seems very unlikely that a group of comedians with a very minimum social conscience, who would kill their grandmother for a laugh, have managed, over the years, to raise this amount of money and this amount of awareness. What we've tried to do is let everybody we work with do the thing that they are good at. We get documentary filmmakers who are good at making documentaries to make the documentaries. We get comedians to be funny; our show is the least polite show on British television every year because we don't restrain the comedians, and they think of that as an opportunity to say things they would normally not be allowed to say.

We've developed from what was originally a seven-hour TV show where we really just raised money. Now a third of our money comes in through the phones on the night, prompted by people's emotions about the films they see. A third comes in through merchandising. I think we sold about 40 million objects last year: we sell records; we sell books; those little red noses that you have are on sale in Sainsbury's, a huge supermarket chain, and I think we sold 7.5 or 8 million of those to children around the country. I wrote a letter to Jo [J.K.] Rowling a few years ago, asking her if she'd donate a signed copy of *Harry Potter* to an auction, and she wrote back and said what she'd do instead was write two new Harry Potter books. I think we made \$17 million from those two books, which was from one letter. That was her doing what she does best.

The third thing that we do is public fundraising. We send out hundreds of thousands of public fundraising packs to people all over the country; and then children and adults get sponsored to do things on Red Nose Day. My little nine-year-old boy this year wore an inflatable sumo costume down Portobello Road, which he loathed, but he got sponsored 47 pounds for doing it. My daughter, who's eleven, did a fashion show, which was deeply alarming for her parents. And my little boy Charlie sprayed his hair red and went to school and paid a pound for the privilege. What we try to do is take the fact that we've got a TV show to get businesses, schools, offices and so on to do everything they can during a five-week period.

I'm a real believer—and there's a certain amount of feeling that stars do token things for charitable purposes—but I'm absolutely sure that that it's something worth investing in because if you spread the news through entertainment and media in a good way, it will, just like *An Inconvenient Truth* or Live 8, be able to make a huge amount of difference.

I'm very obsessed with the value of a dollar. I've been to Africa and I saw that a forty-nine-cent blister pack can cure a child who will die if they don't get it; so I think it's incredibly important that every dollar gets appreciated and valued. The thing that shocked me two years ago, in the U.K., was the educational and political value of what we have been doing. You have a situation where, from watching mainstream media, people as young as five have come to see that there is a world elsewhere where people really are dying for the lack of a dollar; it does change their attitude about the world and their expectation of what they expect the world to be. I'm so old that I'm in a position where people who are running as members of Parliament were nine-year-olds at school who did Red Nose Day and enjoyed it.

When the Make Poverty History campaign started in the U.K., we found that there was so much pressure from the public—all of whom are passionate about and interested in these issues—that they pushed and drove our government to agree at the 2005 G8 summit in Gleneagles, Scotland to add \$25 billion to the amount of money that was going to Africa to help improve things there. I suppose that made me feel it would be impossible to genuinely change things if the greatest and most powerful country in the world—America—did not have an equal passion for these issues. We found, and I remember hearing President Bill Clinton once say, that it wasn't a big subject because there wasn't a vote in it. I think it's very important that we all try to get some votes into this issue, to make it popular.

If you could say about climate change, "I promise you for sure, next year, as a result of global warming, 4 million people will definitely die," the government would put huge resources into it. Well, because of public health issues, 4 million people and more will die next year of AIDS and malaria, and yet it's treated as a casual issue, which we are hoping to make slow progress on. I'm in the States at the moment, in what has been the most difficult few weeks of my life, trying to get things started here. Something is coming on TV in a few weeks' time here: under the banner *Idol Gives Back*, *American Idol* is going to use the power of the show to raise millions of dollars and bring the issues of extreme poverty, both in Africa and right here in America, into the hearts, minds and homes of the American public.

I'm a tremendous optimist, and I do believe that it is possible to change the world. We have the philosophy in my family that, *to make things happen, you have to make things*—and I think you have to make products, make entertainment; and that way, we'll have a huge effect on the world. My little boy Charlie came to me the other day, and I asked him what he wanted to do for a

living—he's five. He said that he would like to take care of the poor children but that he was worried that after Red Nose Day there wouldn't be any poor children left. I assured him that I thought he should put that worry to rest. But I would love to feel that I'll be back here in ten years, and America will be able to proudly say that it did, before 2015, absolutely tip the axis of the world toward the poor and that people will no longer be dying for lack of a dollar. I do think that's achievable, and I think a forum such as this is the absolute starting point for that achievement. Thank you.

SALLY OSBERG:

Our third speaker is someone who makes things happen by making things. She makes things happen with her extraordinary voice and her extraordinary spirit. Four-time Grammy-nominated, Benin-born singer and songwriter Angélique Kidjo is described as one of the most electrifying performers in the pop world today and one of its most forward thinkers as goodwill ambassador for UNICEF. Her unique style fuses afro-funk, salsa, gospel, reggae and jazz with classic American rock, pop and soul traditions. She once considered a career as a lawyer—a human rights lawyer—but she put down her law texts and took up what she told us last night was her weapon of mass loving. I thank her very much for taking up that weapon and for being the remarkable human rights singer that she is.

ANGÉLIQUE KIDJO:

Thank you, and good afternoon, everybody; it's a pleasure to be here. When I was growing up in Africa and I started singing with my mother, I was six years old, in her theater group. She was a choreographer and a theater director. I was just having fun thinking that one day I might be able to be a lawyer; and I decided that most of the time law doesn't serve my purpose of justice—that we can twist law to any kind of thing we want to say, but not justice most of the time. So I dropped it, and grabbed my microphone, traveled all around the world, met wonderful people, and also met needy people.

One thing I've learned from the traditional musicians in my country is that music is not only entertaining, it also carries messages. Another thing that they taught me when I was asking questions—because I was Miss Question: when, why and how, I never stopped. I asked them why we always sing about very important issues on very uplifting beats, with people dancing to them. My uncle told me, "If you want people to move, if you want people to make changes in their lives and other people's lives, you can't make them feel guilty. Guilt does

not create anything positive; it just keeps you in the position where you are without moving ahead.”

I’ve been called up by UNICEF to be a goodwill ambassador for four years now. I’ve been doing a lot of work with them, traveling back to my continent to places I’ve never been before. It is very hard for me to see children in need, and to see also, I would say, the coldness of the leaders of the countries in Africa. They are not willing to do anything because they are comfortable; they are paid by rich countries financing corruption for them not to do anything. When you have oil and you’re given money not to do anything, why should you put some of the subsidies of that money into the country to create schools, or health systems, or help your own people? In my opinion if you want the corruption to stop in Africa, rich countries have to stop giving money to our leaders. Any investor who invests money somewhere wants to see a return on that investment. So far, throughout the years, our leaders have been corrupted and none of the money comes back to the people of the country, but the rich countries always have the best part of it.

As a singer, traveling all around the world with my voice, I’ve met wonderful human beings, who have asked me, “How can we help? How can we make things move?” Most of the time, people don’t know where to start. I tell people, “You have to start in your home and with your neighbors. It’s not only in Africa that you can help because poverty is everywhere.” People come to me and say, “Your music has made us realize that Africa is not a country but a continent, and we are willing to help. How can we help?”

Yesterday I told you that joy is one thing I can give because I was raised in a family where every problem was always discussed, and we always find a solution because we take it lightly and find a way to come up with a solution. A lot of things are done to help African people without the African people being present. You cannot help us without bringing us on board. You have to give us the voice for us to tell you what we need. How can we be a partner in the help that you are willing to give us?

Africa is not only about poverty, is not only about diseases, is not only about our children dying; it’s also about people who are willing to help. As an African person, I grew up in a poor family, yet they gave me the sense of dignity. You can be poor and still be a human being with dignity and value. Here we are talking about philanthropy, but where are we standing, we—African people—ourselves, when it comes to making decisions that will jeopardize or change our lives, without always having a say in it? Please think about us as human beings before

thinking about our poverty and our needs. We are human beings with brains; we can speak for ourselves. Let us show our brains. We are not only poor people.

My music helped me bring that message to the people: Please, get us on board. It will help the dollars to be more efficient in every way because if we are not part of it, if our media cannot relate what you are doing to the people who feel left alone every day, then the help that you're giving to the people means nothing because they don't know. They just feel, "Oh, here comes more help that will come and dump money on us, and give us this and give us that." Is that all we are? Can we speak a little bit with you guys and find out how we can make this happen? Please, don't forget that you are talking to human beings. We need to be heard, and we need to be part of it. Thank you.

SALLY OSBERG:

A powerful woman, Angélique. Finally, we have Bobby Shriver, co-founder with Bono and chairman of DATA, co-founder again with Bono of (PRODUCT)^{RED}, an economic initiative designed to create a sustainable funding stream derived from a portion of product profits to the Global Fund. Here he is, the Santa Monica Council member who won with the widest majority ever. Bobby Shriver.

BOBBY SHRIVER:

Thank you very much. I'm going to go pretty quickly because I understand that President Clinton is in the house somewhere. The real reason I got into this, of course, was so I could be introduced as Bono's partner. Most of my life, I have always been introduced—when I was a little kid I was the nephew of President Kennedy; and my dad got famous for starting the Peace Corps, so I was [Robert] Sargent Shriver's son. My mom got famous for starting the Special Olympics, so I became Eunice Shriver's son; and then in a big, competitive family, a very bad thing happened, which is that my little sister became the host of the *CBS Morning News*, and therefore a national figure, and we all became Maria Shriver's brothers. And then a really unthinkable thing happened. Speaking of the entertainment business, he was a guy who used to go to the gym, and next thing we knew, we were all, inevitably, and forever, Arnold Schwarzenegger's brothers-in-law. So, being Bono's partner looked pretty good to me.

I spent a lot of time in England when we launched Red. I'm not sure about the red noses. As the American Irish, I'm always a little afraid that the English are trying to get those on our noses to make us look silly again. Anybody else feel that way? I do love Richard, though; he's a star of the highest order in the world we're all working in.

I don't know about all of the Americans here, but Ben's talk made me really mad, and I remember asking my mom about ten years ago why she started the Special Olympics. She had had a special sister, and I thought maybe it came out of her relationship with her sister, which I'm sure it did in part; she actually said no, that she started it because she was enraged. She became enraged when she lived in Chicago, where I was born and lived as a little kid, by going to institutions and seeing the way mentally challenged people lived. She got really, really mad. I, coming from the worker side of the Kennedy family, the Shrivvers, I found that getting mad is really a good thing. You got to get mad about the kind of things that Ben showed us; it's so frustrating. I know that's what you're all doing by being here. I know that's why we started DATA, which is our political lobbying activity, Bono and I—DATA.org for those of you who don't know it—where we lobby in London and in Berlin now and in Washington. We have another entity called ONE, which is a political organizing event, of which our board member, the great Cheryl Sandberg, is here.

This Red venture came out because we worked a lot on the Global Fund when it came into being. Although it was billed as a public-private partnership, as I'm sure many of you know better than I do, there was a little bit of difficulty in getting private sector money to go there. Even though Richard [Feachem] and his team were working their cans off, the money wasn't coming forward. Bono and I actually met doing a Christmas record, if you can believe it, for the Special Olympics, called "A Very Special Christmas," in 1987, which has a mother-and-child drawing by Keith Haring on the front of it. We had U2 and Madonna and Whitney Houston and Bruce Springsteen and others sing Christmas songs. And we thought, *You know what, we need to do that.*

We can't go and ask these companies for money; it's not going to work. We need to create a brand. We spent about a year trying to come up with what the brand would be, what it would be called and what would it mean. We came up with the idea of Red. Red is for emergency. It's for *We got to get to work on this right now!* We can't treat it, as Richard was saying, as something that's just sort of happening. It has to be done *right now.*

We also then developed this thing, which we called the embrace. We hope this logo will be as well known in twenty years as the Nike swoosh or the Google logo; and people will know what it means when they see one of these very brave companies, the five companies who joined us to start this: American Express, Motorola, Gap, Emporio Armani and Converse. Of course it expresses the idea that it rises to the power of red when you put the company's name in the center. These are just some of the products (obviously, I'm wearing all of the products).

This excellent book of products was done by Richard's brother-in-law, the very brilliant Matthew Freud, who advised us in the U.K.

One other thing, which I decided to bring up when I was listening to Angélique: When we were talking to Motorola—we were going to launch this thing in England, where we launched all the products—we figured, gee, you know, even though it's not part of the Red DNA, that things are made in Africa, because we were trying raise money for Richard, we thought, you know, Gap was making a lot of its products in Africa—God bless them; they have a very big factory in Lesotho, and have been there for many years—we thought we'd ask Motorola: What could you guys make? And they said, "Well, we can't make a cell phone; we have a giant factory in China."

Then I was looking and I said, "Well, what about that box?" The guy who's the head of Motorola was there with his lawyer, and his guy said, "What do you mean the box?" I said, "Well, the box—it comes in a box; what about the box? Could you make the box there?" And he said, "I don't know." And he said to this guy, "Where do we make the boxes?" And the guy goes, "I don't know." He said, "Well, find out where we make the boxes."

Two weeks later they called us up and said they had found a consultant, a company in Lesotho, that could make the boxes. They sent some capital equipment down there. (This is all on the Red Web site, incidentally, if anyone would like to go look at it: www.joinred.com). These are the photos of these human beings in their houses. They employ ninety people making these boxes for Motorola. Of course, they have Motorola stuff. Here's the lady standing with her boxes that she makes for these cell phones.

Here is a situation where large American companies or, for that matter, large European or other companies, who have an enormous amount of money flowing through their cost of marketing goods. It's really untouched by traditional philanthropy, the traditional asking of money from foundations, the receiving of money and putting it to work, and all of the innovative ways you guys are all doing it. We thought, *We're going to get into that stream of money and try to book a little of that money*—the making of the boxes, the running of the ads, which everybody's doing anyway, as you all know—*infiltrate it a little bit, and book it over into products that will be branded.*

The shoes up here are actually made from cloth from Mali, what's called mud cloth, made by Converse in China, but the textile is from Africa. We're trying to get into that money and move that advertising and get the creative people to help. This shoe idea came from a guy at Converse; my sweatshirt was designed

by the Gap people. Bono had this watch designed by Giorgio Armani. We didn't come up with these ideas. The creative people in these private-sector companies did. And they're part of this work. They're not functioning in a traditionally philanthropic way, but they're willing to work hard on things when you give them something that's inspiring for them to do. The people whom we work with in the companies, like Gap, are unbelievable. They got so excited they formed up special teams; there's competition now within the companies to work on these Red teams that are designing the products, marketing them and advertising them. So we're hopeful that that'll be a success.

I think I just made a Ben & Jerry's deal at the table. I hope that the page he signed will be enforceable in a court of law; if not, Joe Cerrell, who is sitting with me from the Gates Foundation, is going to figure out something to do about it. It's a risky venture. The other thing I would say is that several companies we asked to be part of this said no. I think that's important to understand. They felt that healthcare in Africa wouldn't attract Americans. They felt that they didn't want to risk their brand, their base business. A lot of people said, "Look, we'll do a little thing over here for you, but we won't do *that* for you."

This Red American Express card, for example, is the base brand. It's not the British Airways American Express card, it's not the such-and-such American Express card—it's *the* American Express card. It even says on the back of it, if you can believe it, "This card is designed to eliminate AIDS in Africa." And it has the logo and so forth. And we got these cell phones. This is the best-selling cell phone device in the history of the cell phone business. So we didn't want to be on the sidelines; we wanted to be right in the middle, and a lot of companies turned that down. They don't believe it will work because they don't believe that people—Americans or other people—will buy these products based on this brand. They don't think that will work.

I hope you guys will prove them wrong. I hope you'll come on the Web site and give us ideas about new products, which we solicit from people and new companies that we will be working on. We're working with Richard on *American Idol*, we've got Bono editing *Vanity Fair* in June, we have the great Oprah Winfrey doing her show again for us in October, which, as she calls it, is the "What Did You Guys Do With the Money? Show." The first show she said, "Okay, yeah, we're going to help you announce it, we're going to go shopping on Michigan Avenue, but you've got to come back here in one year." And we said, "Great! We're going to come back." What do you think the theme of that will be? She said, "What did you two do with the money?" So we said, "Great. Richard Feachem—he's responsible for the money." So that will come. We've even been approached by *Sports*

Illustrated to turn their bathing suit issue Red, and I've assigned Richard Curtis to personally manage that.

People pitch us ideas all the time, and we try to come up with ones that we think will earn money for the Fund, that will be fun for people to buy, things that people will desire and that will be consistent with the other partners that we have involved. So that's it. After the presentation or outside, I'd welcome people to look at these products, I welcome any ideas from any of you. I want to have my colleague Tamsin Smith, who's the president of Red, raise her hand. She came to us from the Gap; she lives here in San Francisco. There you are. That's the Red story. Thank you all very much.

SALLY OSBERG:

I think our aspirations have been fulfilled. It's been an amazing panel. We've had an amazing lesson in priorities with Oreos. We've been reminded that being true to how we make things and letting people do what they do best is really a key to success in philanthropy. Partnership of equals, Angélique's really powerful reminder of what those power dynamics should mean at the grassroots level. And then how getting mad can turn into an embrace, with Bobby's wonderful reminder with the Red campaign, how all of us really, as Bill Foege said this morning, are in this together. We've come to the end; I want to leave us on a high note because this is an extraordinary group of people here who are really trying to bring us all into the fray. And just before he died, John Gardner wondered aloud to himself, why, when he engaged with so many bright people all over the world every day, so many of them had chosen to step aside. "Who gave you permission to step aside?" he said. Well these are four people who have erased that permission; we are all in this together. Thank you so much for an incredible panel.

KEYNOTE ADDRESS



A CALL TO ACTION

LAURENE POWELL JOBS, PRESIDENT WILLIAM J. CLINTON

FRIDAY, APRIL 13, 2007

LAURENE POWELL JOBS:

My name is Laurene Powell Jobs, and I'm the founder of a local organization that works with youth in impoverished communities near here.

Towards the end of his administration, President Clinton came to East Palo Alto, which is right next door to Mountain View, to speak about the digital divide, and he stopped by College Track to visit with some of our students.

His fifteen-minute visit turned into more than an hour of listening to students who were the first in their family to graduate from high school and to enter college. It was a magical day. The fact that the president of the United States took the time to listen to these students is a gift that they will carry with them throughout their entire lives. I'm certain that they'll go on to affect the lives of others. President Clinton understands that when people are given hope and a reason to believe in their own best promise, it frees them up to imagine a future of their own creation.

Since leaving office, President Clinton has spent his enormous personal capital in the most exquisite way, to create a future worthy of children from East Palo Alto to East Africa. He's taken on the big thorny issues of our time: poverty, health, climate change, education, and he's leveraged his singular commitment into a truly global one, over \$10 billion in specific commitments to inspire change and deliver results have been put to work as a result of the Clinton Global Initiative.

And he's pulling together the best of individuals: a London mayor, who was considered wacky ten years ago, who now sets the standard in cutting carbon emissions; a healthy HIV positive six-year-old girl in a polka dot dress, who takes her medications in a Lesotho clinic twice daily, right on time, and is going to school, thanks to antiretroviral drugs that were donated by the Clinton Foundation in 2004; and CEOs and Heads of State who know that the most influential philanthropists of our time will not keep company with them unless they keep their promises and see the results. Through his sheer attention to issues, he inspires others to pay attention. And more centrally, through his actions, he inspires others around the globe to take action.

It's my distinct honor to welcome President Clinton.

WILLIAM J. CLINTON:

Thank you, Laurene, for your introduction, for your work, for giving me a chance to see those kids so long ago and for sticking with them. I'd like to thank Jane Wales and all the people with the Global Philanthropy Forum for the wonderful work they do, and for giving me a chance to come back and address them. I'd like to thank Larry Page and Sergey Brin for letting me come back to Google. I had one of the most interesting days of my post-presidential life here. I left more confused than when I came, but somehow amorphously convinced that the future was in good hands. And I'd like to thank Larry Brilliant for the great job he does here with Google's philanthropy efforts.

I have been generally briefed—Jane gave me a kind of briefing of who has spoken and what they've said. I was trying to think of what, if anything, I could do that would be value-added here today. And I think what I'd like to do is to focus on why you can make more of a difference than private citizens committed to the public good have ever been able to make before, and why it's more important. I'll try to do this with a few illustrations, and then maybe leave some time for questions.

But let me say, first of all, whenever I go to a college audience or a business audience I always start with what, to most people in this room, will seem like painfully self-evident, almost simplistic questions. I tell people that you can never understand the world you're living in and the one you want for your children, unless you can ask and answer five simple questions: *What is the fundamental nature of the 21st century world? Is it a good or bad thing? How would you like to change it? What steps are necessary to change it? Who is supposed to take the steps?* And then over a period of twenty minutes or so, I try to make a case that the fundamental nature of the 21st century world is its interdependence, not just globalization of economics, but information technology and culture and growing diversity and interdependence within all societies.

Then I say, "Is it a good or bad thing?" It is both. It's great for us or we wouldn't be here. It's hard to attack it if you've had the life that Larry and Sergey have built and all these employees here at Google. But as you've already heard today, and I'm sure yesterday, half of the world's people aren't a part of this today. They're still living on less than two dollars a day. And there is growing inequality even amidst economic growth in poor and wealthy countries alike.

One of the reasons there was such a big reaction against more trade in America is that we just had five years of continued economic growth, a forty year high in corporate profits, five years of increasing market productivity, median wages have stuck and for the first time in this decade, while we've had all this growth, the percentage of people working full-time falling below the poverty level has

increased by 4 percent. The percentage of people working full-time who have lost their health insurance for themselves and their families has increased by 4 percent. And you can amplify those numbers in poorer countries.

So the divide is there, and it's growing. In addition to being unequal, the world is unstable because of our shared vulnerabilities to terror, to avian influences, to all these problems with which you are quite familiar. And it is completely unsustainable. Not only because of climate change, but a related condition that I think is likely to bite us more severely—even before the worst implications of climate change—the accumulated combination of resource depletion and population explosion.

Between now and 2050 we're going from a world of six and a half billion people to one of 9 billion people. Almost all of the growth is in the countries least able to provide opportunity to the people who live there. And at the same time, we see a substantial loss of topsoil, forest cover and probably the biggest disappearance of species on earth, certainly in all of human history, but probably for half a million years. And there is a big debate within the professional community about when we're going to run out of oil.

Matthew Simmons, no great tree hugger, a conservative republican and close friend of the Bush family who has made a lot of money in petroleum investments, believes that we only have thirty-five years of recoverable oil left. The Cambridge Research Institute, which is still here in the industry, believes we may have 150 years left.

The most optimistic people say, "Oh, no. We have at least a hundred years of recoverable oil left." Meaning if we get all of the oil out of the ground at a net positive energy balance, forget about greenhouse gas emissions for the moment, just how much oil do you have left? The oldest city in human civilization based on carbon dating is Jericho in the Middle East, which is about ten thousand years old. That means that the optimists say, "We've got one percent of civilization left to figure out how to live without oil." And 70 percent of oil in America is used for transportation. Except for jet fuel, for which we have not yet found a sufficiently powerful biofuel substitute, we don't need oil to get around at all.

But think of that. We also use oil for plastics, for chemicals, for fibers—lots and lots of things in our society rest on an oil platform. So we're dealing with not only the potentially calamitous consequences of climate change, but all these resource depletion issues are bearing down on us just as the world is primed for another population explosion.

I come from a farming state, and I lived on a farm when I was a little boy. When I go to places where I work now, once I get out in the country, the first thing I do is kneel down and grab the ground to see what the soil is like, how much of it's there and what's happened to it. In the last decade, only Brazil and Argentina, in the whole world, have dramatically increased their capacity to produce grain. They have over twenty feet of topsoil, the best in the world. But there's no way in the world that those two countries can feed two and a half billion more people. The United States, Canada, Europe, all of our breadbasket countries in the world, we've held our own. We've done quite well. Unless you think everybody is going to start eating those little dried space packets, we've got a serious problem facing us.

So the world's getting bad. *How should we change it?* Question three. We have to go to a set of integrated communities by empowering people, locally, nationally and globally. You cannot—if you believe the world is interdependent, you can't have integrated communities without empowering people, and you cannot empower individuals without more integrated communities. The two things are inextricably linked.

Every successful community—Google, the Tennessee women's basketball team, a family with four kids and a limited budget and oodles of happiness—every successful community has three things in common. There is a sense that the opportunity to participate to the fullest of your ability is there. There is a sense of broadly shared responsibility for the success of the endeavor, whatever the endeavor is, and there is a sense of genuine belonging. The last is intangible, but profoundly important.

So much of the modern world is bedeviled by identity, conflicts, confusion and destruction. When the terrorist bombs occurred in London a couple of years ago, they weren't nearly as damaging in terms of lives lost as the lives lost in the United States on 9/11, by not only Americans, but also people from two hundred other countries. But psychologically, they were perhaps more traumatic. Why? Because the United States was invaded in our category of national thinking. The British terrorists were home grown. So if you read the British press there was article after article after article of people saying, "I don't get this. I worked with these people. They live in our neighborhoods. We'd go to sports events or movies on the weekend. We shared meals. Our kids play. What happened?" They did not feel that they belonged. Their sense of identity separated them from us and prevented the emergence of community.

In the last year or so, I can't remember exactly when, Amartya Sen wrote a beautiful book about this called *Identity and Violence*, which I highly recommend

to all of you. It's an amazing thing to contemplate how you think about yourself in relation to others. But we—here in the United States and throughout the world—we have to try to create these integrated communities. And how do you do it?

Well, of course there has to be a security strategy. You try to protect people from those who would wreck the enterprise; but we have seen this over and over again, with fresh evidence every single day in Iraq. This morning I met with the leaders of the Kosovar Albanian Muslim community and the Serbian minority as they try to set off on a path to independence to overcome the horrible ethnic cleansing that they were bedeviled by until the late 1990s when we stopped it there. In an interdependent environment, it's impossible to kill, jail or occupy everybody who disagrees with you.

If you can't kill, jail or occupy everybody who is against you or might be against you, you have to practice politics. You have to make deals. And that sounds sort of bad until you put it against the alternative, doesn't it? Remember what Churchill said, "Democracy is absolutely the worst form of government except for all the others." So in an interdependent environment, you can't kill, jail or occupy all your potential enemies. You have to build the world with more partners and fewer adversaries.

As I think one of your previous speakers demonstrated in graphic form, it is always cheaper than going to war. The single most expensive thing you can do in a modern society is fight. It is the single costliest thing you can do. I know you got a little cookie demonstration about the defense budget, but let's just take Afghanistan and Iraq. I support trying to save the modern militant democracy in Afghanistan and trying to prevent the Taliban from, once again, reasserting their repressive rule against women and children and their distorted theocracy in giving Al-Qaeda room to run around again, and I don't support our policy in Iraq. But whether you're for or against either one of them, just think about the money. Afghanistan is a small country. We have already spent over \$100 million there. Had we been free to spend it in non-military ways, we could have probably tripled per capita income and quadrupled or quintupled it there. And in Iraq, we are soon going to hit the \$500 billion mark. There are about 26 million people there. What about the other six and a half billion people in the world?

And so this is always less expensive. So put the security thing to the side. There will be a security policy. We will spend wisely or foolishly. We will be effective or ineffective. But we have to have one. And it will involve homeland security and all the things around the world. But it's never going to be enough, because you can't jail, kill or occupy everybody who's against you or who might be.

The good thing about making the world with more partners is that we know how to do it. It's not only less expensive, we know how to do it. We know that the government has a role for diplomacy. And through humanitarian options, the most successful military operation of the Bush Administration in a Muslim country, with the exception of Afghanistan was the humanitarian air lift in Indonesia after the tsunami. It's the biggest Muslim country on earth two hundred million people. After Iraq, our approval rating plummeted to 30 percent. After the tsunami, it rose to 60 percent. The only thing that happened was they saw helicopters and people in uniform dropping life lines and food and medicine, and they saw American government representatives helping them to rebuild again. And they saw people from our religious and non-religious NGO communities, trying to help put the country back together again. And it was lots cheaper than going to war.

So we know how to put the 130 million kids who never go to school in school and to give them adequate learning materials and to use technology to leap generations of traditional educational development, and it's not that expensive. We know how to end extreme hunger, and it's not very expensive. We know how to empower farmers to bring in a crop. And even in the most difficult circumstances, we know how to make a future that skips the destructive energy use patterns of the industrial civilization in a way that empowers people economically.

We know that every increase of cell phone penetration of 10 percent in a developing country increases GDP by six-tenths of 1 percent, because it creates all these little various insurges. You know, there's a Steve Jobs or a Bill Gates around the corner there. Some little person figuring out, "If I just had a cell phone, I could call and figure out whether these people are screwing me on my phone prices." You laugh, but it's really true.

This is really important. We know this. We know that through individual empowerment and community building, working together at affordable rates along proven paths, we can move towards this world. We can do it in health care. We can do it in education. We can do it in economic empowerment. We can do it in fighting specific terrible scourges like AIDS. And we can do it in fighting climate change and resource depletion that empowers and enriches people instead of holding them back. So we know it.

Last question, *who's supposed to do it?* Well, we all are. Wouldn't you be better off if we had a different government policy in America on climate change? You bet we would. Should we keep lobbying for it? Of course. Should we sit around

and feel sorry for ourselves and whine and point fingers until it happens? No, because private citizens have more power to do public good than ever before.

Are we better off? I think we are now with the change in the Congress. Susan Blumenthal is here, who was a member of my administration. Her husband is Congressman Ed Markey; I'm glad he's kind of in charge of our environmental future. I feel better. As Jack Benny once said, "I'll sleep better at night knowing he's there."

But do you have to wait for this to make a difference? No. And should you? Absolutely not. People like you have more power to effect public good than ever before. The rise of fortunes means an unprecedented number of people are wealthy much earlier in their lives, as has happened in human history whenever economic paradigms change. The rise of the Internet as a giving tool has enabled people of very modest means to move the world if they all agree to do the same thing at the same time. After the tsunami, Americans gave \$1.2 billion. Thirty percent of our households gave over the internet. The British, the Dutch and the Northern Europeans, on a per capita basis, gave even more than we did.

And this is going to be a phenomenon that will only increase in its importance. The linkage is between people who have significant accumulated wealth, and therefore, time and access to learn what to do and how to do it, reaching out, then, to people with less time and less money who collectively could still double, triple or quadruple the impact of their efforts. And the rise of the NGOs provide a channel through which this money can be spent to greatest effect, either in partnership with or in spite of both wealthy and poor governments. So we all have something to do.

Now, I just want to mention this one thing that I think you should think about, based on my own experience. When I started my foundation, I basically didn't have any money, and I still don't have a big endowment. I have to raise the money to do everything I do, and I don't take any government money. I raise government money for poor countries, but I don't take any. No administrative fees, nothing. In our AIDS project, the only government funds we've taken, to the best of my knowledge, is that the Indian government and the Chinese government have given us office space and a telephone line, which is kind of interesting to be an NGO working in that circumstance. I appreciate that. But I try to organize and expand markets for public good.

And so I ask you just to think about that. What we did with the Clinton Global Initiative, which Laurene mentioned in her introduction, all I really did was to provide a forum for people to come—a forum like this one—where people can

share their thoughts about major problems in the world and what ought to be done, for business leaders, philanthropists, NGO activists from developing as well as developed countries and political leaders. Except I told the people with money that if they came they had to make a commitment to do something. I didn't care how much money they spent or how much time they spent, but they had to do something in one of the four areas we discuss.

We never discuss more than four areas a year. This year we're doing health care, education, economic empowerment and climate change. And we always do economic empowerment and climate change. We sometimes deal with reconciliation among groups and this whole identity and violence in the community issues. We sometimes deal with governance issues in developing countries.

But then we get to come back if they make a commitment and keep it. So of the hundreds of people that came the first year, fifteen couldn't come back. And about ten of them actually tried and couldn't believe we wouldn't let them come back. And one of them was a particularly generous supporter of mine when I was president. And I said, "You can come to my home for dinner. But this is not about our friendship. This is about the commitment process." So it's a serious process; and it's worked because what I tried to do was to organize a forum, like this one, to do matches, and then get people to do it.

I want to mention just three specific projects we do, because it's something that I think all of us can do in various ways. Again, I think you want to build communities and empower individuals. One of the things that people in private philanthropy can do is to help to organize or expand various public goods markets. I could give you a hundred examples and stay here until tomorrow morning, if we had time, of things that clearly would be done today by people in authority or people with resources in countries all over the world if they knew the facts and knew how to act on the facts.

One of the great things about the information technology revolution is that people who are plugged into it should be more aware of not only how the markets work today, but how they could work. I'm talking about public goods markets.

Our AIDS project, for example, we now work in twenty-five countries with 500 people. About one hundred of them are full-time volunteers; the others make modest amounts of money. And we are trying to develop models that can benefit not only the treatment of AIDS but also TB, malaria and other tropical diseases, as well as maternal and child health. When I'm gone from there, we will leave behind a functioning health care system that's what we're trying to do.

But the largest number of lives have been saved by the fact that we organized the medicine market. When we started in 2003, there were only about 135,000 to 150,000 people in the developing world outside of Brazil where the government manufactured medicine and could buy medicine at reasonable prices, and they gave it to everybody. Outside of Brazil, there were only about 150,000 people getting medicine. Today, there are probably 1.7 to 1.8 million people getting medicine in the developing world. At the end of this year, the number may be 3 million or more. But there are about 6 million people who need the medicine to live.

Because of the Global Fund to Fight AIDS, TB and Malaria, the money that the Bush Administration and Congress have put in and other sources of funds, funding is no longer the major barrier now. It's also no longer the major barrier because of the price of the medicine.

Generic AIDS medicine was \$500 a person a year when I started in January of 2003. But the markets were so disorganized and information was so absent, that the first country in which I went to work, the Bahamas, the wealthiest country in the Caribbean with a fairly sophisticated government, was paying \$3,500 for the same medicine. Now, we pay \$10,000 a year to the big pharma medicine, but the Canadians and Europeans get the same medicine for \$3,500 a year. That's why they're against our reimporting from Canada. Something terrible will happen with all that medicine that goes to Canada. You'll drop dead if you take it and it comes back.

But the point is the people in the Bahamas were paying for generic medicine manufactured in India and South Africa, the same price that Europeans and Japanese and Canadians were paying for big pharmaceuticals' medicine. Seven times the listed purchase price. Why? Because they knew nothing about the market. Everybody was just getting into it and they were buying through two different agents, and they were being ripped off. So the first thing we did, the first week, was to get them \$500 medicine, which meant overnight they could treat, not quite seven times as many people because you have care costs involved, but certainly six times as many people for the same amount of money.

That's when we decided that maybe our highest and best use, first, would be to organize this market. So I went around to a bunch of donor countries and got them to promise me a certain amount of money for countries in Africa or the Caribbean. Then eventually we went in to India, then in to China, and it kept going—twenty-five countries. We asked these companies to go from the business plan they were on, which was high margin, low volume, uncertain payment, even at \$500, to a low margin, high volume, absolutely certain payment system.

And we made a separate understanding that in the home countries, which were principally South Africa and India, whatever deals we did would go directly to the government. They should never have to go through us for their home town manufactures. We made this deal, and the price went to \$139. Pretty soon the average price in the world dropped from \$500 to \$192. Today, the average medicine price we get is just about \$100 a person a year.

We are now selling that medicine in sixty-three countries, the twenty-five we work in, and thirty-eight more who have been qualified as able to properly distribute it. And about six hundred thousand people are getting medicine off this contract now—about a third of all the people in the world who have been added to the ranks of those getting treatment. In addition to that, because this happened, the price structure has dropped so almost everybody now is within 25 percent of our ceiling price. The same thing happened with children's drugs. When we started, even though it had fewer materials, an annual children's dosage cost \$600 because the volume was so much smaller. Because countries were so worried about young adults being wiped out, they didn't have any money to buy the children's drugs. So we had over half a million kids just dying every year. If you're born HIV positive, you only have a 50 percent chance of living to age two if you don't get medicine. You only have a 20 percent chance of living to age five. But if you're properly cared for and you get nutrition, then you have the same chance people have in other countries to have a more normal life and life expectancy.

So we negotiated a price from \$600 down to \$190. Then along came the French with UNITAID—God bless them—and other countries joined them, many other countries. But the anchor of UNITAID is the receipts from the French airline tax on international travel. And all the money is devoted to global health. They asked us to organize the children's medicine market, because just two years ago, there were only ten thousand kids in the entire world—with a half a million dying a year—only ten thousand outside of Brazil and Thailand where the government gave it to the kids getting medicine. I went around and raised the money principally from some British philanthropists to double that. So we went to ten thousand more, then to twenty-five thousand more. Then along came UNITAID. We negotiated for a price that was \$600 two years ago down to \$60, a 90 percent price reduction.

There is no longer a financial barrier to keeping these children alive. I just saw several hundred of them in orphanages and hospitals in Cambodia late last year. They will live if, and only if, there is a health infrastructure there that will enable us to identify, treat and care for these children while we're trying to increase

awareness in humanity. Laurene mentioned a child in Lesotho. Lesotho has a very high AIDS rate, 24 or 25 percent. We work there and it's trying to become the first country in the world that has universal opt out testing for people twelve or older. You can say you don't want to be tested, but they come and try to convince you.

A third of the country is unreachable except by on foot or an animal. One of our spokespeople in Lesotho is a woman named Tsepang Setaka. She is about twenty-four years old now, and she became HIV positive because she was raped. In some cultures that would be enough to make her just give up on life; she would be looked down on and people would treat her like it was her fault. It breaks a lot of people still in rural conservative cultures. I would be proud of this young woman if she were my child. She goes into these villages and says, "Okay. I got the virus because I was raped coming home from school one day. And I had two choices: I could just pack it in and feel that there was something wrong with me. But I thought about it and, somehow, I don't think this was my fault. I refuse to be a victim. I refuse to give up. I refuse to give in, and you should not either. You should be tested. And you should never do to any other person what was done to me or run the risk of having it done to you." She's our best spokesperson, because it almost doesn't matter what words come out of her mouth, when someone says she's HIV positive and they see her standing there strong and healthy and dignified and whole and trying to lift them up.

Paul Farmer is now living full-time in Rwanda. A lot of you know him from his wonderful work in Haiti where, among other things, they have not had a tuberculosis death in his catchment area—where he treats ten times as many people or more than he has professionals for—since 1988. Not one. The people who are HIV positive take their medicine with greater efficiency than they do in the United States. So we're trying to develop a model in Rwanda where we can say, "This works. We want to cart this around."

Then we started a development project in cooperation with a Scottish philanthropist named Tom Hunter. We just started in Rwanda and Malawi. On our first trip to Rwanda, we went out to this area of 415,00 people and discovered that the farmers were living in an unorganized market—they didn't know anything about market conditions, and they couldn't even think about marketing their products because there was such a shortage of food. Keep in mind the whole country's per capita income is a dollar a day—these people were really poor. So we organized the market for fertilizer. We negotiated with European and Middle Eastern fertilizer producers, and essentially said, "We are going to buy three and a half times as much fertilizer as ever before, and we want a cut in the price."

And they said, “But petroleum is going up and, you know, we need to raise the price.”

We said, “No. We need to cut. We’re going to pay you the day you deliver this, and you should give us a cut.”

So they gave us a 30 percent price break. Then we went to the microcredit financiers, and we got a 30 to 50 percent break on the interest rates. Again, same strategy—high volume, low margin, certain payment.

Then we worked with the farmers to change some farming techniques. In the traditional crops, we had a 300 to 400 percent increase in the first year. We got into crop diversification. We went from hungry people to food surpluses in foreign markets, and we’re off to the races.

The point I want to make is the main thing we did is to organize the markets. Laurene mentioned that I was working with Ken Livingston, the Mayor of London, on this large cities project. Forty of the biggest cities in the world entered into a contract to try to jointly reduce greenhouse gas emissions. Ken asked me to see if this strategy of organizing and enlarging the market would work in climate change areas. First we have to see whether we can get some huge volume purchases of easily available energy efficiency products, and set up a financing mechanism that will enable cities in the developing world to pay for it quickly. We’re going to have our first big conference in New York in May, so stay tuned.

This is something we should all be thinking about. If you’re interested in both community building and empowerment, nothing empowers people as much as an organized, efficient, clearly understandable economic market. Nothing. Then all the politics goes away. I mean, why is Wal-Mart, which is generally viewed as one of the more conservative companies in America, going to reduce its packaging by 5 percent? Because it saves them, in the supply chain, \$3.4 billion and has the greenhouse gases taking 203,000 diesel trucks, which get six miles to the gallon, off the road. They’re trying to sell the rest of us 100 million compact florescent bulbs. They are selling bulbs to people who did not know what a compact fluorescent bulb was before they were on the shelves in Wal-Mart. If they sell them all, and people screw them in and use them, it will have the effect, the greenhouse gas effect, of taking seven hundred thousand cars off the road. A light bulb.

There are all these things we need to be thinking of where we can organize resources in a way that have ripple effects. It is inherently empowering every time you do that. And the best examples, the easiest ones, by far, are in the area of climate change. I think it’s very important to see how and whether we can do

this in developing countries. Unless the United States sets a good example—and persuades China and India and then other rapidly developing countries that they don't have to get rich the way we did—we cannot conquer this challenge. So we have to be able to prove that there's an alternative strategy.

I promise you most economic decision makers in the developing world do not know that in the last few years Denmark has increased the size of its economy by 50 percent, and increased its energy usage not one watt. It has also reduced its greenhouse gas emissions by producing 22 percent from wind. For the developing world, the most important thing is not that it uses wind energy. The most important thing is they grew their economy 50 percent with no energy increase. Most people don't think that's possible now. So wouldn't it be better if the U.S. adopted carbon limits and had a cap-and-trade system? Absolutely. I hope it happens. Should the rest of you hang around waiting for it to happen, and using that as a reason not to do anything? Absolutely not. As long as oil is over \$50 a barrel, virtually every conceivable clean energy and energy conservation strategy you can think of can be made economically viable in wealthy as well as developing countries. That's the point I want to make. That's what you can do.

If you're part of tomorrow's economy, you know instinctively how to do the two things that we have to do. Organize and expand markets, and empower people. They are two sides of the same coin, building new communities and giving people greater capacity. That's what I try to do. Will it work in climate change? Will it work in development in poor countries as it has with AIDS medicine? I'm not positive, but I certainly think so. And it isn't like we have anything more important to do.

However wealthy you are, and however insulated you think you are from all this, unless you wish your grandchildren to live in a bubble with pumped in air, and never see a tree, or float around in an area that used to be land or look askance at every single person that passes them of a different race or a different faith, you don't have anything better to do. And besides, it's fun. Thank you very much

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